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# THE JERUSALEM POST

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## Cabinet reviews Lebanon

**By ASHER WALLFISH**  
Jerusalem Post Reporter

The cabinet reviewed developments in Lebanon at its weekly session yesterday, as reports about plans for a partial withdrawal in the south increased in frequency and intensity.

The ministers heard reports from Chief of Staff Rav-Aluf Moshe Levy and the Israeli Defence Forces intelligence head Aluf Ehid Barak. The entire proceedings were declared a session of the Ministerial Defence Committee, whose deliberations are classified.

On another issue which did not come up before the cabinet, acting cabinet secretary Michael Nir told reporters after the session that Israel rejects the proposal by King Hussein of Jordan for a Middle East peace conference sponsored by the UN to include Palestinian Arabs and the superpowers.

The Camp David agreements provide the best framework for future talks. The solution to the conflict must be based on direct talks between Israel and Jordan," Nir said.

King Hussein called for the conference in an interview he gave Cable News Network of the U.S. on Saturday.

## Israel rejects Beirut's charges of 'inhumanity'

**Jerusalem Post Staff**

Lebanese charges of inhumanity in South Lebanon have been rejected by government sources who instead blamed Lebanon and Syria for hardships in the area.

Lebanese Prime Minister Rashid Karamah Saturday accused the Israelis of "inhumanity, not to say fascist and Nazi practices" in the area which Israel invaded two years ago. Karamah said he would complain to the UN.

Starting today the Bate-Jezzeine crossing point in the Shuf Mountains will be closed for three days, during off the South from the north in an effort to halt terrorist infiltration.

(Continued on Page 2, Col. 3)

## Israel denies charge on diversion of Litani

**BEIRUT (AFP).** — The Lebanese security services have given the Interior Ministry a report on earthworks being carried out by Israel two days ago near the town of Dir Mamas, where the Litani River runs close to the Israeli border.

The report says that the Israeli Defence Forces have started digging an underground tunnel which could be used to divert Litani water to Israel.

The Jerusalem Post defence correspondent reports that, according to military sources, the Beirut report is "baseless." Official sources said that the report might be referring to an anti-tank ditch being dug in the area of Lake Karoun, but there is no truth in any report concerning the diversion of Litani waters.

## Madrid victim identified as PFLP military leader

**MADRID (Reuters).** — Spanish police yesterday identified an Arab seriously wounded by a gunman in Madrid on Friday as Zaki al-Halloun, a leader of the military wing of Yusef Hawatmeh's Popular Front for the Liberation of Palestine (PFLP).

Halloun, 44, who adopted the name Abu-Said, was reported in a critical condition in hospital after being hit by a shot fired by a gunman on a motorcycle.

A spokesman for the PLO has blamed the Israeli secret service for the attack.

Police sources said they believed the shooting may have arisen from factional fighting between rival Palestinian groups.

The identity of the victim issued



Nigerian tribal leaders King Abieluwa oha okunze Jijawado (left) and Emir Alhagi ado Abdulahi Bayero yesterday pay a courtesy call on Prime Minister Yitzhak Shamir. Story on Page 2

## New hope for Labour-Likud coalition

**By DAVID LANDAU**  
Post Diplomatic Correspondent

There was a marginal upswing in prospects for a Labour-Likud unity government following a meeting in the Knesset last night of the two parties' foreign policy working group.

Gone were the recriminations and tough talk that characterized the previous session last Wednesday. Instead, both sides seemed anxious to resuscitate the more benign and hopeful atmosphere that pervaded the earlier meetings. Accordingly, they assiduously searched out areas of foreign policy on which they could agree: Cambodia, Cuba, China, Africa and Asia.

On the two key issues of controversy, however — West Bank settlements and terms for peace talks with Jordan — there was no substantial breakthrough. The working group is to meet again tomorrow in a further effort to reach binding formulas on these subjects.

Labour Party sources professed themselves pleased with the course of yesterday's session. They said it would now enable party leader and premier-designate Shimon Peres to make a fairly hopeful report to President Chaim Herzog at the end of the week — and to ask for a further 21-day period in which to put together a government.

The Labour sources expected Peres to meet with Premier Yitzhak Shamir before he reports to the president. The two men must eventually address the question of who is to be prime minister of the proposed unity government — a question which both the foreign policy and the economic working groups have carefully avoided.

The National Religious Party, meanwhile, resolved yesterday to draft its own proposals both on the premiership and on the main policy issues facing a unity government.

A committee of four, under Avraham Stern of the Kibbutz Hadati movement, was commissioned to formulate these proposals which the NRP hopes to coordinate with Yahad and Ometz, the two other pivotal small parties which ardently advocate a unity government.

The NRP intends to submit its ideas to the two major parties early next week.

The NRP's intention to tackle the premiership question could bring to the fore the differences of opinion that exist beneath the surface in that party over whether to side with Labour or the Likud. Party leader and Interior Minister Yosef Burg favours the Likud, but he could face stiff opposition from other key figures.

In some Labour and Mapam circles, there has been a revival of speculation over the possibility of establishing a minority government — without the NRP. Such a government would rest on the "passive support" of the Progressives and would be feasible only if Yahad agreed to join it.

Labour and Mapam advocates of this scenario argue that once the minority government were established and had passed its Knesset debut, the NRP and Agudat Yisrael would probably join it. To that end

(Continued on Page 2, Col. 4)

## Zamir rules against Burg charring the Knesset

**By ASHER WALLFISH**  
Post Knesset Correspondent

The steering committee of the 11th Knesset will meet this morning to discuss the implications of Attorney-General Yitzhak Zamir's ruling that Interior Minister Yosef Burg would be violating the law were he to continue to chair Knesset sessions.

President Chaim Herzog has also expressed "concern over the paralysis" of the 11th Knesset and was to convey his worry before the committee meets this morning, to its chairman, Alignment whip Moshe Shahal. Herzog invited Shahal to Beit Hanassi.

The president reportedly intends to urge Shahal to see that the Knesset resumes regular and full operations as quickly as possible.

Burg, who is the oldest MK, will apparently be replaced as interim Speaker by the next oldest parliamentarian, the Alignment's Abba Eban. But Eban told Israel TV last night he was willing, if called on, to chair one session only, and then merely for the purpose of presiding over the election by the plenum of the permanent Speaker. Eban said the Alignment wants its Shlomo Hillel as permanent Speaker.

Shahal's deputy, Transport Minister Haim Corfu told The Jerusalem Post last night that as long as nobody knew which factions would constitute the coalition and which the opposition, the Likud would not agree to the election of a Speaker or deputies. Nor would the Likud agree to discuss the formation of the permanent committees, the choice of their chairmen and the distribution of committee seats among the factions, Corfu said.

Corfu said the Likud would not object to Eban taking over from Burg. But he rejected the idea aired yesterday that the steering committee avoid the thorny question of choosing the permanent Speaker and instead choose two permanent deputy Speakers, one from the Alignment and one from the Likud.

"That's illogical," Corfu told The Post.

He said that without a government, without legislative initiatives and without committees to which parliamentary business could be referred from the plenum (as it must statutorily be), there was little the Knesset could do anyway for the time being.

Corfu said: "It'll be quite enough if the Knesset meets a couple of times between now and mid-September when it should, in my opinion, go into recess till the end of October. Apart from motions for the agenda and questions to ministers, the Knesset will be virtually unemployed."

Zamir said in the ruling he gave at Burg's request that a minister belonging to a body like the government, which comes under parliamentary control, could not hold office in the controlling body — the Knesset. The next session of the Knesset should therefore be opened by the oldest member of the Knesset who is neither a minister nor a deputy minister and who is willing to fulfil the function.

Zamir added that it would be undesirable for such an MK to keep on running the Knesset and that a permanent Speaker and deputies should be chosen "as fast as possible."

## Two Soviet warships enter Red Sea Minesweepers of 4 nations fail to turn up evidence

**CAIRO (Reuters).** — Rough weather slowed operations by Egyptian, British and U.S. minesweepers in the Gulf of Suez yesterday as two Soviet minesweepers transited the Suez Canal into the Red Sea.

Military sources said British Navy ships were searching the northern end of the gulf while U.S. Sea Stallion helicopters scanned the middle sector.

The Egyptian Navy, using about 12 Soviet-made minesweepers, is operating in the southern sector, and two French minesweepers are conducting clearing operations off Saudi Arabia's Red Sea coast.

No mines have been found so far.

The military sources said the search for explosives, which have hit 18 merchant ships in the Gulf of Suez and further south off the Yemen coast, was slowed but not halted yesterday by "rough windy weather."

The destination of the Soviet vessels, identified only as minesweepers 413 and 912, was not immediately clear, but military sources said they were probably heading towards South Yemen, where there is a Soviet naval base.

Unconfirmed reports last week said a Soviet minesweeper was already operating in South Yemen waters at the mouth of the Red Sea.

Egypt, meanwhile, has called for joint Arab action to protect navigation in the Red Sea. Foreign Minister Esmat Abdel Maguid was quoted by the semi-official daily newspaper Al-Ahram as saying Egypt is in contact with several other Arab countries seeking a joint Arab plan "for the protection of this strategic region."

Suez Canal authorities stressed there were no mines or obstacles hindering navigation in the waterway and said the mine-hunting operation would not affect its commercial traffic.

The mine-hunting operations are also not disrupting normal traffic in the Gulf of Suez and Red Sea.

Egyptian Suez Canal authorities said they took "security measures" on Saturday before allowing a Libyan pilgrim ship bound for Jeddah to pass through the waterway.

Egypt has said it suspects Libya and Iran of being behind the mine-laying. Both countries deny involvement.

### Bulletin:

French radio, monitored in Israel last night, reported that its minesweepers had located two mined seaways yesterday in an area south of the Gulf of Suez where 16 ships have already been hit by mines.

## Treasury, Histadrut on collision course

**By ROY ISACOWITZ and AVI TEMKIN**  
Jerusalem Post Reporters

**TEL AVIV.** — The Finance Ministry and the Histadrut yesterday moved closer to an all-out confrontation over Finance Minister Yigal Cohen-Orgad's refusal to revise tax brackets, welfare points and children's allowances upwards in line with July's 12.4 per cent rise in the consumer price index.

The Histadrut central committee decided yesterday to establish an "operational headquarters" to coordinate its struggle with the ministry. At the same time, Histadrut Secretary-General Yisrael Kessar, who is also a Knesset Member, announced that he would call for a debate on the matter in the Knesset plenum.

Kessar accused Cohen-Orgad of acting in the manner of "thieves in the night," in that he had not informed Histadrut representatives of his decision not to revise the tax brackets during a joint meeting at the beginning of last week.

Central committee members described yesterday's meeting as "tense and angry," and said that the dominant, though largely unexpressed, sentiment was that the labour federation should hold a warning strike to express its opposition to the unilateral action of the finance minister.

In reply, Cohen-Orgad stressed yesterday that he would not budge from his decision not to revise the tax brackets. He told a Kol Yisrael interviewer that the government prefers to solve the country's problems without confrontation — but that it would continue to "fulfil its obligations" to the economy whatever the consequences.

Cohen-Orgad added that the self-employed, and not only the wage earners, would be affected by his decision. He went to great lengths to prove that the economic burden is being distributed fairly among all sectors of the population, and is not being laid solely on the shoulders of the workers, as alleged by the Histadrut.

He revealed that the Treasury will ask the Knesset Finance Committee this week to approve a doubling, to 5 per cent, of the penalty paid by the self-employed for late payment of tax advances.

Observers said yesterday that it is difficult for either side to back down from the confrontation that has been threatening for some weeks. Though tax brackets, welfare points and children's allowances are the matters of immediate dispute, the conflict is rooted in the Histadrut's refusal to go along with Cohen-Orgad's intention to slow inflation by cutting workers' wages.

The Histadrut has repeatedly rejected Cohen-Orgad's calls for a "package deal" encompassing the government, the Histadrut and the employers on the grounds that the present interim government does not have the authority to make long-term commitments. In reply, Cohen-Orgad has threatened to act unilaterally to alter the recently signed cost-of-living agreement and the public sector framework agreement.

Last week's decision not to revise tax brackets was the finance minister's first unilateral shot in the coming battle.

Trade union sources said after yesterday's meeting that the initial step would probably be shopfloor meetings during work hours to explain the Histadrut's position in the dispute.

The central committee also decided to convene the Histadrut executive next Sunday.

Kessar said that "no agreement that is reached at the expense of the workers, their employment and their wages will be acceptable to the Histadrut."

## Teachers won't start school unless they get parity bonus

**By LEA LEVAVI**  
Jerusalem Post Reporter

**TEL AVIV.** — The two teachers unions, the Histadrut Teachers Union and the Secondary School Teachers Association, decided last night that they will not open the school year on September 2, unless the teachers receive the parity bonus which other civil servants received recently.

At the end of the last school year, Education Minister Ze'evulun Hammer promised the teachers that they would get the bonus if the engineers employed by the government and the local authorities received it. According to Yitzhak Weibler, secretary-general of the Histadrut Teachers Union, most of the engineers have received the bonus and failure to give it to the teachers is a blow to teachers' status and contrary to the achievements reflected in implementation of the Etzioni Commission recommendations, which seek to bring teachers up to par with engineers.

Weibler and Secondary School Teachers Association Chairman Shoshana Bayer sent telegrams to Hammer and Finance Minister Yigal Cohen-Orgad urging them to give the teachers the bonus and putting the blame on them should the school year not open on schedule.

At last night's meeting, representatives of both unions protested against the finance minister's decision not to update the tax brackets and children's allowances this month. But they stressed that their threat not to open the school year applies at this stage only to the parity bonus.

Because of the dispute over the parity bonus, the teachers still have not signed the national wage agreements. They say they will not sign until the bonus is forthcoming.

The Education Ministry announced yesterday that Education Minister Ze'evulun Hammer would be meeting today with Finance Minister Yigal Cohen-Orgad on the teachers' demands for a parity bonus.

The Treasury ruled that the bonus had not been paid to teachers, whose wages were linked to those of the engineers. But Hammer has asked his ministry's legal adviser for a ruling on the parity bonus issue.

None hurt in 3 attacks on IDF in S. Lebanon

**Jerusalem Post Staff**

There were three attacks on Israeli troops in Southern Lebanon yesterday. No casualties were reported.

In the first incident, light weapons fire was directed from ambush at an Israeli Defence Forces patrol two kilometres south of Lake Karoun in the eastern sector. The soldiers returned fire.

Northwest of Tyre a Katyusha rocket was fired at an IDF position; three mortar rounds were fired at another IDF position close to Tyre. None of the enemy fire hit its mark.

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**of THE LOUNGE**

TELAVIV HILTON

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**A Kaleidoscope of Dance**

**Monday, August 20**

**City Hall Square, Rehov Weizmann**

**5.30 p.m.** Opening ceremony with the participation of youth ensembles from Ramla, Procession of participants and performances along Rehov Weizmann to the Cultural Centre.

**Cultural Centre**

**7.15 p.m.** Opening of exhibitions on various aspects of dance.

**8.00 p.m. Auditorium: Members of the Tamar Dance Theatre perform works by Zvi Gotsheiner, Amir Kolbach.**

**9.30 p.m.** Stage at the Arches: "Monument" — Ronit Levi.

**10.00 p.m. Auditorium: Works by Hadda Oren, Rami Be'er.**

**10.45 p.m. Amphitheatre: Works by Alma Frankfort in a special program with the "Siam" Rock Group.**

**11.30 p.m. Amphitheatre: Dance improvisations with audience participation.**

**Tuesday, August 21**

**Cultural Centre**

**09.30 a.m. Studio: Ballet class of the Tamar Dance Theatre.**

**10.30 a.m. Auditorium: Guest Workshop — Lindsay Kemp.**

**10.30 a.m. Arches: "Cirrus" — performance for young audiences — Miri Ben-Baruch.**

**12.00 p.m. Studio: Lecture Demonstration — Chinese and Japanese movement styles — Mikhail Momane.**

**1.30 p.m. Shopping Centre: "White Time" — Tamar Dance Theatre.**

**2.30 p.m. Auditorium: Solo Programme — works by Leah Avraham, Miri Ben-Baruch, Laurie Friedman.**

**4.00 p.m. Arches: Works by Arie Burstein, Nir Ben-Gal, Ilana Kalif, Alma Frankfort.**

**4.00 p.m. Arches: Works by Arie Burstein, Nir Ben-Gal, Ilana Kalif, Alma Frankfort.**

**4.00 p.m. Studio: Lecture Demonstration — Chinese and Japanese movement styles — Mikhail Momane.**

**4.00 p.m. Auditorium: Demonstration performance — "Kol Demama".**

**5.30 p.m. Amphitheatre: "First Steps in Choreography" — Tzofia Naharin and works of Orna Beghin, Hefziba Avraham, Elrat Linetzky and Hefziba Avraham, Ilana Kalif, Elrat Ravid and Rachel Vardi, Indal Giladi.**

**5.30 p.m. Arches: "Contact" Improvisation — Anne Aronov and Anne Lemieux, and works by Pamela Shami, Galit Hahn.**

**6.45 p.m. At the Tower: "Via Dolorosa" — Tamar Dance Theatre.**

**7.45 p.m. Amphitheatre: Works by Ilana Kalif, Tamara Mielnick, Amos Pinhasi.**

**7.45 p.m. Arches: Works by Miri Ben-Baruch, Oded Kafri, Hefziba Avraham, Ronit Levi.**

**9.00 p.m. Amphitheatre: Works by Netta Plotzki, Yossi Tirm.**

**9.00 p.m. Arches: Movement and Notation Dance Group led by Amos Hefz.**

**10.15 p.m. Auditorium: "Tremolo Betzot Vahet" — Oshra Elkayam.**

"Composers in search of their roots" — Zippi Fleisher, Meir Mandel and Daniel Galai present some of their works and discuss them with the audience at different times and venues between dance performances.

**Guided Tours**

The Nature Protection Society will organize free guided tours to historical sites in Ramla on Monday and Tuesday, August 20-21. The tours will leave from the Cultural Centre at 3.30 p.m. and last for about 2 hours.

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|--------------|---------|------|----|-----|--------|--|
| AMSTERDAM    | 10      | 12   | 24 | 75  | Clear  |  |
| BRUSSELS     | 12      | 15   | 23 | 84  | Clear  |  |
| BURNOUS AIRS | 1       | 4    | 12 | 55  | Clear  |  |
| CHICAGO      | 22      | 27   | 36 | 97  | Clear  |  |
| COPENHAGEN   | 13      | 15   | 20 | 68  | Cloudy |  |
| FRANKFURT    | 11      | 13   | 26 | 79  | Clear  |  |
| GENEVA       | 11      | 13   | 26 | 79  | Clear  |  |
| HELSINKI     | 6       | 13   | 18 | 64  | Cloudy |  |
| HONG KONG    | 27      | 31   | 31 | 88  | Clear  |  |
| JORDANESBURG | 18      | 28   | 38 | 100 | Clear  |  |
| LONDON       | 15      | 19   | 27 | 81  | Clear  |  |
| LYON         | 13      | 15   | 25 | 77  | Clear  |  |
| MADRID       | 17      | 20   | 32 | 90  | Clear  |  |
| MONTREAL     | 11      | 12   | 21 | 70  | Cloudy |  |
| NEW YORK     | 21      | 26   | 36 | 97  | Clear  |  |
| PARIS        | 9       | 14   | 26 | 79  | Clear  |  |
| SAO PAULO    | 11      | 15   | 22 | 72  | Cloudy |  |
| STOCKHOLM    | 16      | 18   | 21 | 70  | Cloudy |  |
| TORONTO      | 27      | 31   | 31 | 88  | Clear  |  |
| ZURICH       | 11      | 12   | 21 | 70  | Cloudy |  |

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## THE WEATHER

|             | Yesterday's | Today's | Today's |
|-------------|-------------|---------|---------|
|             | Humidity    | Min-Max | Max     |
| Jerusalem   | 49          | 15-26   | 29      |
| Galilee     | 47          | 18-28   | 26      |
| Nahariya    | 49          | 15-26   | 27      |
| Safed       | 49          | 15-26   | 27      |
| Haifa Port  | 61          | 23-28   | 28      |
| Tiberias    | 46          | 23-24   | 34      |
| Nazareth    | 46          | 23-24   | 34      |
| Afula       | 50          | 20-31   | 32      |
| Sharon      | 46          | 19-29   | 30      |
| Tel Aviv    | 58          | 21-29   | 30      |
| B-G Airport | 49          | 20-30   | 31      |
| Jericho     | 44          | 21-36   | 36      |
| Caesarea    | 44          | 21-36   | 36      |
| Be'er Sheva | 39          | 17-31   | 32      |
| Eilat       | 20          | 23-37   | 37      |

## Israeli pianist is finalist at Geneva

**Jerusalem Post Reporter**  
TEL AVIV. — A 19-year-old soldier from Ramat Gan has been selected as one of the three finalists in the 40th Geneva competition for young pianists, the America-Israel Cultural Foundation announced yesterday.  
Dany Gortler was one of four Israelis among the 90 competitors. Two Israelis were eliminated in the first round and another in the second round.  
Yesterday the field was narrowed to Gortler, a Brazilian and a Japanese. The three will continue the competition this week with the winner to be announced on August 29.

## Moslems to leave for Mecca today

**Jerusalem Post Reporter**  
Approximately 2,500 Israeli Moslems are to leave for Mecca today for the annual pilgrimage, the Interior Ministry spokesman announced yesterday. Also going are an undisclosed number of Moslem residents of the administered areas.  
The spokesman said issuance of the travel permits reflects Israel's policy of permitting all people — regardless of religion or nationality — to enter or leave Israel for the purpose of worship or pilgrimages.

## Former MK wins damages against Uri Avnery

**Jerusalem Post Reporter**  
TEL AVIV. — The Tel Aviv District Court yesterday awarded former MK Avraham Shapira, asking whether Shapira had approved the transfer of money from non-residents' foreign currency accounts to the account of the accountant-general with the Bank of Israel.  
A senior Bank of Israel official said on Israel TV on Saturday night that the money, which was used to improve the country's foreign reserves, had been transferred with the approval of the bank's advisory committee, of which Shapira is chairman.  
Shapira also asked whether Shapira had informed his colleagues on the temporary Knesset Finance Committee of the transfer. Shapira serves as acting chairman of the

## The Charles & Anna Elenberg Foundation, Inc.

(Mrs. Anna Elenberg, benefactor & founder)  
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May G-d bless them and all Israel.  
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Administrator for grants in Israel  
For applications for a scholarship for the coming year, \$745, please write to Dr. I. Mann, 3 Abad Ha'am, Petah Tikva. Applications are sent to students only — not to schools.

## HAGA (Civil Defence) Exercise at Ben-Gurion Airport, Yehud, Or Yehuda and Lod

A Haga exercise will be held, starting at 8 a.m. tomorrow, Tuesday, August 21, and ending at 10 a.m. on Wednesday, August 22, at Ben-Gurion Airport, Yehud, Or Yehuda and Lod. During the exercise, the sound of firing and explosions will be heard, and very large fires will be staged. The sirens will sound all clear; in the event of a real attack, they will sound a rising and falling note.

# HOME AND WORLD NEWS

## Red carpet rolled out for Nigerian dignitaries

**By JUDY SIEGEL**  
**Jerusalem Post Reporter**  
The king of the Yoruba tribe and the emir of Kano, two Nigerian businessmen who are here on a short private visit, told President Chaim Herzog yesterday that they are interested in Israeli assistance, especially in agricultural development.  
The Nigerians received the red-carpet treatment at Beit Hanassi in a ceremony similar to that given foreign envoys presenting their letters of credence.  
King Alsielwa oba okunze Jijuwado, a Christian, and Emir Alhaji ado abdullahi Bayero, a Moslem, are the first Nigerian dignitaries to visit here since their country cut off relations in 1973. They came for a two-day stay as guests of businessman Michael Meyer, who has interests in Nigeria and who accompanied them both to Beit Hanassi and to their 15-minute courtesy call on Prime Minister Yitzhak Shamir.  
The Nigerian anthem was played by the Israel Defence Forces orchestra, as the green-and-white flag of the African country was raised. The

## Jibril prisoners can send radio messages

The Arabic service of Kol Yisrael has been broadcasting messages from prisoners of the Popular Front for the Liberation of Palestine — General Command to their families. Reporters from the service have been interviewing Ahmed Jibril's men in prison here and broadcasting the messages for five minutes in the afternoons.  
Arabic news director Edmond Shavak told the French news agency AFP that similar efforts had been made in the past for Fatah prisoners.

## TV rebuts Cohen-Orgad's criticism

**By GREER FAY CASHMAN**  
**Jerusalem Post Reporter**  
An accusation made on Saturday night by Finance Minister Yigal Cohen-Orgad against Israel Television economics reporter Oded Shabar was investigated yesterday by Television House which said the accusations were unfounded.  
During a heated exchange with Shabar on the *Mabat* news program, Cohen-Orgad charged that Shabar last month had been instrumental in causing public panic by

king, dressed in flowing robes and carrying a green-and-white walking stick, walked alongside the emir, who wore a white turban, brown robes and carried a similar stick in brown and white.  
Herzog greeted the visitors, along with Foreign Ministry director-general David Kimche and Africa department head Avi Primor.  
Herzog spoke of Israel-Africa relations, noting that Israel had never demanded that those who maintained ties with it cut their relations with other countries. He also recalled his recent visit to Liberia and Zaire, which the African guests said had made a "strong impression" throughout the continent.  
The Nigerians were tight-lipped when asked by reporters about their visit. "Fantastic," said the king when asked about his visit to the holy places in Jerusalem earlier in the day. He had previously visited Israel in 1961. The two said that their country had "no quarrel" with Israel even though it does not have an ambassador here.

The current airing of messages will continue for another few weeks. Shavak said that most prisoners were delighted at the opportunity to send their families messages.  
Israel currently holds 120 prisoners from the Jibril group, according to AFP. The PFLP-GC currently holds Nissim Salem, Yosef Grof and Hezi Shai. The three were visited by Herbert Amry, Austria's ambassador to Greece, in July, amid reports that a prisoner exchange was near. (AFP)

portfolios would be held in reserve for the NRP.  
At the Labour-Likud working group last night, the Likud presented a position paper in response to Labour's position paper of last Wednesday. On talks with Jordan, the Likud paper suggested:  
"The government... will seek to bring about the continuation of the peace process in accordance with the Camp David framework for peace in the Middle East. To achieve this, the cabinet will:  
(a) approach Egypt to resume the negotiations for full autonomy for the inhabitants of Judea, Samaria and the Gaza District; (b) call upon Jordan to join the peace process."  
The Labour side balked at this, since it means in effect that Jordan's joining is to be specifically within the context of the Camp David autonomy-talks framework, which Jordan never accepted.

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## Hefetz tapes played at trial, reveal no leaked information

**By MICHAEL YUDELMAN**  
**Jerusalem Post Reporter**  
PETAH TIKVA. — Assistant Commander Assaf Hefetz did not leak information to the press about police errors in the Lifa gang affair, but merely confirmed reports already published. This was proved at the police disciplinary tribunal yesterday, when recordings secretly made of Hefetz's telephone conversations with reporters were played.  
The atmosphere at the tribunal, where Hefetz is charged with leaking secret police information to the press, was tense as the recordings were played. Hefetz was suspended in March, soon after *Ma'ariv* published a report that the Tel Aviv Central Unit, which was headed by Hefetz, had

sent information about the Lifa gang — which planned to bomb Moslem holy sites — to the Jerusalem police a year before the gang was exposed and that the Jerusalem police had not done anything with the information.  
In the recordings — which were of extremely bad quality — Hefetz is heard speaking quite freely with reporters, totally unaware that he was being recorded.  
He called the police authorities responsible for mishandling the information "degenerates," "imbeciles" and "idiots." "It's a scandal, an atomic foul-up," Hefetz told one reporter. "In the interest of the people of Israel, this affair requires a thorough investigation." "The degenerates didn't do anything with the information," he told others.

He also said that the police negligence in this affair necessitated inquiry, and expressed concern that the police could be so negligent, and try to hide information from the public.  
Before the hearing yesterday, the High Court of Justice rejected Hefetz's appeal to rule that the recordings were inadmissible. Hefetz's attorney, Dan Cohen, said that telephone recordings are admissible only in criminal proceedings, while Hefetz's hearing was a disciplinary one.  
The High Court ruled that the disciplinary tribunal's decisions were intermediate ones and therefore our intervention at this stage is unnecessary, whether the tribunal's decisions are right or not.

## NEWS BACKGROUND/David Mandel

## Cohen-Orgad finds way to take more taxes—but is it legal?

Finance Minister Yigal Cohen-Orgad's unilateral decision not to update tax brackets this month means that low and middle-level wage-earners will lose a large part of the 9.9 per cent cost-of-living increase coming to them by agreement between the Histadrut and the Treasury. Indeed, the Treasury unabashedly says the move is designed to force the workers' organization to talk about a "package deal" on prices, wages and taxes.  
But is the tactic legal? Can the Treasury so drastically affect wage levels by administrative fiat, or more accurately, by simply not doing what it says it is not required to do? Can workers in turn be forced to

swallow a significant pay cut without recourse to collective bargaining?  
The questions raise a number of legal issues that have not yet been clearly answered by either the Knesset or the courts.  
The erosion of tax brackets provides an opportunity for the Treasury to actually collect more by literally doing nothing. Wage-earners' income is deducted monthly at source, according to progressive tax tables, and if they are not adjusted, the rises and cost-of-living increments which have become a regular monthly occurrence push salaries into higher brackets. A higher rate is then deducted from the money which was meant only to keep up

with inflation.  
The phenomenon raises income tax rates without any authorized body decreeing that this should occur. It also tends to counter the progressive nature of income tax: the highest paid employees, most of whose income is already taxed at the highest rate, are hardly affected, while low and middle-level wage-earners pay much more.  
According to Section 120B of the Income Tax Law, enacted as part of the 1975 reform of the system, the finance minister must update the tables only twice a year, and even then only if inflation for the previous six-month period exceeded 10 per cent. The Knesset Finance Commit-

tee could also empower the minister to execute a less-than 100 per cent linkage.  
The provision was designed for inflation of a sort very different from that known subsequently. As early as 1980, the resulting distortion was corrected by agreement between the Treasury and the Histadrut: the brackets would be adjusted quarterly, with the cost-of-living increments. But today even this arrangement is outdated. C-o-L raises are being granted virtually monthly, and until this month the Treasury had updated the tax brackets accordingly. The Histadrut claims that a verbal agreement to this effect was concluded. (Continued on Back Page)

(Continued from Page One)  
portfolios would be held in reserve for the NRP.  
At the Labour-Likud working group last night, the Likud presented a position paper in response to Labour's position paper of last Wednesday. On talks with Jordan, the Likud paper suggested:  
"The government... will seek to bring about the continuation of the peace process in accordance with the Camp David framework for peace in the Middle East. To achieve this, the cabinet will:  
(a) approach Egypt to resume the negotiations for full autonomy for the inhabitants of Judea, Samaria and the Gaza District; (b) call upon Jordan to join the peace process."  
The Labour side balked at this, since it means in effect that Jordan's joining is to be specifically within the context of the Camp David autonomy-talks framework, which Jordan never accepted.

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## Expert predicts unemployment crisis

BY AARON SITTNER  
Jerusalem Post Reporter

Though people living in development towns constitute only 9 per cent of the population, they make up 15 per cent of the nation's unemployed. And the average unemployment rate in all development towns ranges between 8.5 and 9 per cent compared with the nationwide average of 5.5 to 6 per cent.

These statistics were raised yesterday in Jerusalem at a meeting of Labour Ministry, State Employment Service and Histadrut leaders, along with representatives of development town labour councils.

According to David Katz, director of the Manpower Planning Authority, an imminent crisis in employment is supposedly brought on by the freeze on government hiring and new orders from suppliers "runs quite deep, and cannot be attributed solely to the austerity measures launched last October."

He said that while most government experts gauge the job market by such indicators as the monthly total of planned dismissals sent out by employers, "I am worried by a different indicator — the monthly total of employer requests for workers reaching state Employment Service offices."

In the 1970s, that monthly figure averaged 30,000. But beginning in the 1980s, it has sunk to between 15,000 and 17,000. Therefore, the only real, not stop-gap, solution to Israel's labour problem is a resumption of the nation's general economic growth.

According to Katz, Israel should learn an important lesson from most other countries faced with unemployment, and increase, rather than reduce, spending on vocational training and re-training programmes.

Declaring that "I refuse to accept so-called planned unemployment as a cure for our economic ills," Labour Ministry director-general Asher Ohayon called for "real" incentives to get people to switch from service to production jobs, and "at least \$5 million annually for the next few years" for vocational training, since "it is better to spend money on that than on unemployment-insurance payments."

And, Ohayon added, "the time has come to twist the faucet a bit, to cut down the flow of approximately 80,000 workers from the administered areas, and to crack down on illegal workers from other parts of the world."

Earlier, State Employment Service director Baurch Haklai disclosed that there are 1,300 foreigners here now with work permits. "But according to the grapevine, there are 4,000 more in the country employed illegally."

Re-appraisal of the policy on permits for foreign workers was also urged by David Cohen, a member of the Histadrut Central Committee, who attended yesterday's meeting, at the Hebrew University's Givat Ram campus.

Labour/Social Affairs Minister Aharon Uzan reported that 37,750 persons had applied for jobs at Employment Service offices last month compared with 31,428 in June. However, the number of employer requests for workers had remained unchanged at approximately 15,000.

Uzan remarked that "a highly detailed plan of action to cope with looming unemployment" had been prepared by his staff late last year, and that he had given it to Finance Minister Yigal Cohen-Or and Industry and Trade Minister Gideon Pat. "To this day, that plan has never been discussed at the cabinet level, though I've received some brief, favourable comments on it," Uzan said.

## Haifa crowd keeps Kahane from speaking

By YA'ACOV FRIEDLER  
Jerusalem Post Reporter

HAIFA. — A riot nearly ensued here yesterday evening when newly elected Kach MK Rabbi Meir Kahane tried unsuccessfully to address a street meeting in Beth Haknaniot square in the centre of the town.

The crowd numbered some 2,000, with opponents outnumbering Kahane's supporters by two to one. Opponents, who shouted him down, traded slogans with his supporters.

Police and Border Police, who kept Kahane well separated from the threatening crowd, prevented violence.

Mayor Arye Gurel appeared at the meeting, which had been licensed by the police, to express his opposition to Kahane's anti-Arab incitement. He vowed that "Haifa won't allow its Jewish-Arab amity to

be disrupted." Boomed by Kahane's supporters, Gurel was triumphantly carried away on the shoulders of their opponents.

The crowd, including many young Arabs, spilled over into Rehov Herzl, Haifa's main thoroughfare, causing some traffic jams. But the police had the event well in hand, and did not have to don the riot gear they carried.

The meeting was scheduled for 5:30 p.m. but from the start the opponents, chanting "down with fascism," made it impossible for Kahane to begin. Several times people disconnected his loudspeakers by tearing out the wires. Only at 6 p.m. did Kahane get going, but then he was drowned out and could not make himself heard even with the loudspeakers at full blast. Only snatches of his passionate arm-waving harangue, including such

threats as "I'll deal with dogs like these," could be made out by the crowd.

After just under an hour Kahane called it a day and was escorted from the square by a tight circle of policemen. The angry crowd then disappeared quietly.

Earlier in the afternoon Kahane visited Rambam Hospital to talk to soldiers wounded in Lebanon "for background information."

Earlier, at a press conference, Kahane decried as "murderous for our soldiers" the government's Lebanon policy and called for "either the deportation north of the South Lebanon population or the withdrawal south of the IDF."

He also said he was holding on to his U.S. passport because without it the authorities there would not allow him in for his regular lecture tours.

## Drive opens to send food to Soviet Jewry

TEL AVIV (Itim). — The Committee to Save Soviet Jewry has begun collecting food parcels to be sent to Soviet Jews for the High Holidays, committee chairman Rabbi Rafael Halperin announced Saturday night.

Halperin, who made the announcement at a rally for Soviet Jewry at Giv'at Olam hall here, pointed out that Soviet authorities recently limited the weight of food parcels to 1 kilogram. The committee would begin collecting donations for the parcels, which he estimated would cost \$3,000 each, including postage.

Netanya Chief Rabbi Yisrael Lau called on participants at the rally to intensify the public campaign to free Soviet Jewry and declared that Orthodox Jewry would stand at the forefront of such efforts.

In Jerusalem today, Soviet Jewry activists are to hold a solidarity fast at the Western Wall in conjunction with a similar fast by activists in the Soviet Union on behalf of Prisoners of Zion Alexander Choliminsky and Ya'acov Levin. The Public Council for Soviet Jewry announced.

## Lebanese children to attend camp here

By MENACHEM HOROWITZ  
Jerusalem Post Reporter

METULLA. — Some 200 Lebanese school children are to attend a week-long camp at the Ashkelon National Park next week, organized by the liaison unit of the Israel Defence Forces in South Lebanon.

The children will come from Tyre, Sidon, Nabatiya, Jezzine, Hasbaya and a number of smaller villages in the south.

The purpose of the camp is to strengthen ties between the school-children and Israel. There will be a parents day during the week.

In addition, between 20 and 30 Lebanese teachers, students and municipal officials will visit Israel next week. They will come to Jerusalem, where they will visit the Knesset, tour the holy sites and meet with government officials including the prime minister's adviser on Arab affairs.

## Boy, 16, ordered held for 15 Haifa burglaries

HAIFA (Itim). — A 16-year-old boy yesterday was remanded for eight days by the Haifa Magistrates Court on suspicion of burgling 15 apartments and businesses in his Neveh David neighbourhood.

Judge Rafael Harsonski ordered him held after a police representative testified that, among other loot, the boy is suspected of stealing two pistols during the chain of alleged thefts. He is also suspected, together with his girlfriend, of stealing \$630 from the apartment of her parents.

The boy's father accused the girlfriend of leading his son astray, telling the court: "The girl drove my son to crime!"

ACADEMIC RECOGNITION. — The Kupat Holim Clalit nurses' college attached to Ben Gurion University has been granted academic recognition by the Council for Higher Education.

## All Jerusalem schools to teach Arabic

Jerusalem Post Reporter

Arabic will be compulsory from the fourth grade in all Jewish schools in Jerusalem starting this year.

Although Arabic has been taught in the schools over the past 10 years or more, it has not been compulsory in all schools and was often offered "for only one year."

Arabic language instructor Moshe Greiger said this week that the plan will be implemented over a period of up to five years and may be soon extended to include Haifa.

Although more than half the Jerusalem schools will offer Arabic from this year, Education Ministry sources say that implementation may be slow because the State Religious schools do not all agree to its introduction.

## Single-parent families

Jerusalem Post Reporter

The number of Israeli school-children who live in single-parent families is growing. Dr. Yosef Kolodner, head of the psychological advisory service of the Education Ministry said recently that although he does not have exact figures, consulting psychologists and teachers are becoming more aware of the increased number of children who live with "one parent."

Kolodner said that he has issued instructions to pay attention to the specific needs of these children, and will hold work-sessions with teachers and psychologists to help them understand the problems of the child in a single-parent family.



Defence Ministry assistant director-general Yehuda Meron yesterday awards the Jerusalem Medal to West German Gen. Dietrich Genschel, head of his army's Manpower Branch. Genschel is here as the guest of OC Manpower Branch Aluf (Major Gen.) Amos Yaron (right). (Defence Ministry)

## Oil cleared from popular TA beaches

By AARON SITTNER  
Jerusalem Post Reporter

Two of Tel Aviv's most popular beaches — the Hilton and Sheraton — were contaminated over the weekend by mazut, heavy industrial-type residual oil. Dr. Yuval Cohen, the director of the marine pollution section at the Environmental Protection Service, told *The Jerusalem Post* yesterday.

The oil had been spilled into the surf, but the section workers, aided by Tel Aviv municipality personnel, had removed the pollutant by yesterday morning.

Cohen hinted that his office knows the origin of the oil, but he declined

to identify the suspected source pending legal action.

As for last week's sully of the Eilat port area, Cohen said it was caused by a fault in a barge water hose whose task it is to collect waste water and oil from vessels calling at the port.

After four days of intensive cleanup work with specialized surface dredging and pumping equipment he added, "several tons" of pollutant had been removed and the port basin area declared clean.

Cohen stressed that the Eilat beach and the Coral Reef nature preserves were not affected by last week's port basin defilement.

## Tensions erupt between Egged and Dan

Jerusalem Post Reporter

TEL AVIV. — Sources in the Dan bus cooperative yesterday accused Egged of interfering with its operations, presumably because Dan now has a contract with the Defence Ministry that Egged used to have.

The sources said that since Dan assumed charter service for the ministry two weeks ago, Egged has purposely caused delays at the Tel Aviv bus station, blocked Dan buses, and decreased its services on routes it shares with Dan, thus forcing Dan to divert extra buses and

personnel to those routes.

Egged halted its charter service to the Defence Ministry when the ministry declined to pay the higher fees the cooperative had sought. It then contracted with Dan, which Egged said had "stabbed it in the back" by not maintaining a solid price front between the two Histadrut companies.

An Egged spokesman yesterday denied using any tactics to harm Dan, but said the Egged had broken off all contact with its sister company, including emergency aid.

## Strikes persist in K. Ata, Pardess Hanna

Jerusalem Post Reporter

HAIFA. — The strike by Kiryat Ata's 600 municipal employees is to continue despite a pledge by the Interior Ministry yesterday to increase its original offer of financial aid to the town from \$550 million to \$100 million.

Mayor Ya'acov Ben-Daniel said half of the sum would be in the form of a government-guaranteed loan, but this could not be processed until the middle of next month.

Meanwhile the employees are still waiting to receive their July salaries

which should have been paid on August 8. Ben-Daniel said that the only long-term solution would be in the form of a consolidation grant which would have to be approved by the Finance Ministry. The town's debt now totals more than \$600 million.

And in Pardess Hanna, the strike of the 300 municipal employees went into its third day yesterday. The workers, who have not yet received their July salaries, say they will take more extreme measures if they do not get paid by the beginning of next week.

## IS70m. to be spent on reading survey

Jerusalem Post Reporter

Education Minister Zevulun Hammer last week announced that despite budgetary restrictions he has allotted \$70 million to continue the survey of the reading ability of public school pupils in the fifth grade. Readers in both Hebrew and Arabic will be tested.

This is the third year that the survey, designed to identify poor readers while their reading problems can still be corrected, has been conducted.

The survey will include 1,200 schools and will be supervised by Yosef Ben-Rachamim of the ministry and Dr. Yosef Basdhi of Hebrew University.

In another educational area the ministry announced yesterday that its psychologists would undertake an

intensive remedial reading campaign in the primary schools during the coming school year. The psychologists will assist teachers in diagnosing and treating reading difficulties of individual pupils.

## Green Patrol confiscates Beduin sheep, goats, camels

By LIOBA MORIEL  
Jerusalem Post Reporter

BEERSHEBA. — The army and the Green Patrol yesterday confiscated more than 200 sheep and goats and 30 camels from the Beduin Azazma tribe near Yeroham and brought them to the district veterinary compound here where they will be held until the court decides their fate.

The Nature Reserves Authority spokeswoman said the animals were found in an IDF firing zone.

The Beduin said the confiscation was illegal because they have a court case pending over the ownership of the land. The Beduin also said that the animals were led to the firing area by members of the Green Patrol and army, and then loaded on trucks and driven to Beersheba.

But the IDF spokesman said this was unlikely because sheep, goats and camels do not roam alone but with shepherds.

Dov Callor of the Association for Civil Rights in Israel, said the association has sent a telegram of protest to Attorney-General Yitzhak Zamir. He added that MKs Mordchai Virshupski (Shinui), Ran Cohen (Citizens Rights Movement) and Mattityahu Peled (Progressive List for Peace) would probably raise the matter in the Knesset today when it convenes.

Marcia Shertok of Yeroham reported that she and a neighbour went to take photos of the incident but local police snatched their cameras and confiscated the film, saying it was illegal to take pictures in an army zone.

## Father, son charged with Lod murders

TEL AVIV (Itim). — A father and son were yesterday charged in the local district court with murder. Badia Abu-Suleiman, 39, and his 16-year-old son were charged with the murder of Hani and Omad Hassuna of Lod, after a brawl last month.

According to the charge, the killings occurred after a quarrel between the Abu-Suleiman and Hassuna families, which started with a brawl at the Lod basketball court on election day.

The charge says that Badia Abu-Suleiman, his son and other members of their family twice came to the home of the Hassuna family and threatened them after the original row. Neighbours managed to sepa-

rate the brawling families.

However on the second occasion, said the charge sheet, Badia Abu-Suleiman pulled out a pistol and started shooting, killing Hani and Omad Hassuna and wounding Yakub Hassuna in the neck. The 16-year-old son, whose name was not released for publication because he is a minor, is charged with holding the victim, Hani Hassuna.

Ordering the 16-year-old released, the court ruled that there was no proof that he had been involved in premeditated murder, but may have been defending himself during the brawl. His release was delayed for 48 hours, pending an appeal to the Supreme Court by the prosecution. Badia Abu-Suleiman was detained until the end of his trial.

## Rapist accused of murder held for trial

TEL AVIV (Itim). — Convicted rapist Shlomo Haliwa, accused of the murder of soldier Orly Dubi last November while on leave from prison, yesterday was ordered held until the end of his trial by the Tel Aviv District Court.

The formal remand order issued by Judge Arye Segalson does not alter Haliwa's status, since he is serving a 25-year sentence imposed in 1978 for five rapes. In 1970 Haliwa was sentenced to seven years for rape, but was released after five years for good behaviour.

According to the murder indictment, Haliwa strangled Dubi to death with her brassiere last November 15 after she resisted his attempt

to rape her. The two had alighted from a bus near Netanya, where the victim's parents live, and Haliwa allegedly offered to guide Dubi through a field towards her home.

The judge based his remand ruling on *prima facie* evidence linking Haliwa to the crime; namely, sperm stains matching his blood type and material found on his clothing particular to the scene of the crime. When the ruling was read, Haliwa jumped from his seat and yelled at the judge: "Who do you think you are, a Supreme Court justice? For nine months they've questioned me of the murder of a soldier I never met. We'll appeal this decision to the Supreme Court!"

## Three men, youth held for assault and gang rape

HAIFA (Itim). — Three men and a youth yesterday were remanded by the Haifa Magistrates Court on suspicion of beating and gang-raping a prostitute who had previously filed a police complaint against one of them.

The suspects are Mohammed Hamudi, 31, Zahar abu Abas, 19, Tawfik abu Abas, 19, Mustafa abu Abas, 19 and a minor, 17. They are alleged to have tied the young woman to a tree, beaten her with a club, committed various indecent acts upon her and raped her in sequence.

A police representative told the court the assault had probably been committed at the instigation of Hamudi, in an attempt to intimidate the woman to drop a complaint she had filed against him of forcing her into prostitution. Judge Rafael Har-

sonski ordered Hamudi held for 12 days and the other three suspects for nine days.

In another rape case, a youth from a moshav near Kiryat Gat yesterday was remanded for eight days by the Beersheba Magistrates Court on suspicion of raping a girl following a party at the moshav. The girl complained to the police that the youth had sprayed tear gas into her face and then raped her, after she had resisted his advances.

EXTRA MONTH. — Some 5,000 kindergarten children in the South had an extra month of instruction this summer vacation to assist in preparation for the first grade of school. The Education Ministry will follow the children's progress during the year to find out whether the extra month helped.

Ministry of Education and Culture  
Department of Culture and Art  
Art Division  
Tel Aviv and Central Regions

Association of Friends of the Training College for Art Teachers  
7 Rehov Beit Govrin, Ramat Hasharon

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2. WEAVING — Second Year
3. GRAPHICS AND EVENT DESIGN AND PLANNING — First Year
4. GRAPHICS AND EVENT DESIGN AND PLANNING — Second Year
5. ARTISTIC PRINTING — First Year
6. ARTISTIC PRINTING — Second Year
7. ARTS AND CRAFTS — Second Year
8. SCULPTURE AND CERAMIC SCULPTURE — First Year
9. SCULPTURE AND CERAMIC SCULPTURE — Second Year
10. PHOTOGRAPHY — First Year
11. MULTI-MEDIA ART — First Year
12. MULTI-MEDIA ART — Second Year
13. PUPPET THEATRE — First Year
14. PUPPET THEATRE — Second Year
15. COMMUNITY THEATRE — First Year

Registration for these courses will be held during August and until the middle of September, 1984. Preference will be given to candidates from provincial towns and development areas.

Information and Registration:

1. Tamir Rose — Course Director — Training College for Art Teachers, 7 Rehov Beit Govrin, Ramat Hasharon. Tel. 03-474391, Sunday-Thursday, 1 p.m.-8:30 p.m.
2. Ramat Hasharon Community Centre — 20 Rehov Arlozoroff, Ramat Hasharon. Tel. 03-491384, Sunday-Thursday: 10 a.m.-12 noon, 5 p.m.-7 p.m.
3. Magdalen, Banya Local Council — Tel. 054-58784, 054-51198, Sunday-Thursday: 9:30 a.m.-12 noon.
4. Aharon Cohen — Deputy Director, Department of Culture and Education, Netanya Municipality — 8 Rehov Sha'ar Hagal (fourth floor), Netanya. Tel. 053-36888, ext. 88, Sunday-Thursday: 8 a.m.-1 p.m.

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## 'United' Republicans in festive mood as convention opens today in Dallas

DALLAS (Reuters). — Ronald Reagan's Republicans streamed into town in a festive mood yesterday to celebrate party unity, renominate the president and get their 1984 election campaign off to a roaring start.

After preparations that produced a tough, right-wing party manifesto for the November 6 election fight, delegates to the Republican presidential convention warmed up for today's opening session at glittering galas, champagne parties and western barbecues in this haven of Texas millionaires.

"There's a warm, upbeat feeling here," said Reagan campaign spokesman John Buckley. "In spite of our various factions, this party is one family."

Republican moderates are furious at the ultra-conservative campaign platform written for Reagan. But these complaints apart, the Republican meeting provided contrast to the

problems besetting the Democratic ticket of ex-vice president Walter Mondale and Congresswoman Geraldine Ferraro.

Ferraro, struggling to end controversy over her wealthy husband's source of income, announced Saturday he had agreed under pressure to disclose his tax records at a Washington news conference today.

Ferraro was also shaken by a report by *New York* magazine suggesting her husband had links to the underworld.

"I'm outraged," she said. "You go through life suffering discrimination and you just don't think they'll stoop this low."

Mondale himself was stung by a widely publicized remark on Saturday by Atlanta Mayor Andrew Young, one of his top black supporters, that the Mondale campaign staff was dominated by "smart-ass white boys that think they know it all."

Mondale aides called the remark unfair and objectionable.

Republicans in Dallas followed these events with glee. Buckley said: "It's pretty clear that Walter Mondale has done great damage to himself in not exercising any leadership over his running mate's financial-disclosure problems."

The four-day convention of 2,235 voting delegates is due to renominate the Reagan-George Bush ticket by acclamation on Wednesday.

Today's session will be largely ceremonial apart from a keynote speech by U.S. Treasurer Katherine Ortega, chosen to demonstrate party support for women and Hispanics.

The convention has attracted protesters against the Reagan administration by groups ranging from feminists and nuclear freeze crusaders to homosexuals, marijuana devotees, Iranian monarchists and conservative groups backing Reagan.

## Iranian halt to oil sales keeps the experts guessing

TEHERAN (Reuters). — Iran has not sold oil for about two weeks and its exports may fall by nearly a half this month to around one million barrels daily, oil company sources said in Teheran yesterday.

While the amount of oil exported is difficult to judge, the sources estimated the amount at around 1.8 or 1.9 million barrels per day last month.

They were unable to explain why Iran, which depends on oil revenues to finance its 47-month-old war with Iraq, had halted sales.

One source suggested it was a political decision possibly linked with last week's parliamentary debate on a vote of confidence in the government.

The sources said the interruption in sales came just before the debate

in which five of the 20 cabinet ministers were dismissed.

Oil Minister Mohammad Gharazi survived with a large majority after mounting a spirited defence against allegations of financial mismanagement.

The sources said Gharazi's majority should not be seen necessarily as endorsing the government's policy of discounting the price of its oil.

Iran is at present talking of discounts of about \$1 a barrel for light crude and 60-70 cents for heavy, which the sources said was too low to attract buyers.

Recently it offered discounts almost three times as much, especially when Iraqi attacks made shipping up the Arabian Gulf.

## 'Iranian' jewels worth millions discovered by Pakistan police

ISLAMABAD (AP). — Pakistan authorities said yesterday that they have arrested two more Afghans following the discovery of millions of dollars worth of jewels believed to have belonged to the late Shah of Iran.

The Federal Investigation Agency, however, said the treasure, which reportedly includes a diamond "the size of an apricot," still has not been authenticated as having belonged to the deposed Iranian leader.

Four Afghans have been arrested since customs officials stopped a bus on Thursday at Kuch-i-Taftan, on the Iran-Pakistan border.

Initial reports from Teheran said one of the smugglers was an Iranian and that the smugglers were unmasked at the Lahore airport. But Pakistani officials said all four were travelling on Afghan passports and were intercepted at the border.

During investigations, the ring-leader, identified as Ghulam Haider, said he purchased the plundered treasure "from an antique dealer in Iran" and hoped to sell it in Pakistan, according to official reports.

It may be part of some treasure

believed taken out of Teheran at the height of the Iranian revolution in early 1979.

A local journalist who was allowed a glimpse of the treasures said there were gold and silver necklaces studded with diamonds and rubies, a diamond-studded belt that the smugglers said belonged to the late Shah's second wife, six gold rings, two sets of gold earrings, 20 utensils such as silver teaspoons, and five gold seals that were said to have belonged to the Shah's father.

The centerpiece of the collection was a diamond pendant, which the reporter described as the "size of an apricot." Another pendant held a diamond "the size of a human eye," he said.

There was speculation the treasure may have been looted from the Golestan Palace Museum in Teheran that displayed artifacts of previous Iranian dynasties.

Newspaper reports from Teheran said Iran has formally requested the return of the jewels discovered by Pakistani authorities and that Pakistan had agreed to provide a complete list of the seized treasure.

## Soviets criticize Reagan for questioning Yalta pact

MOSCOW (Reuters). — The Soviet news agency Tass said yesterday that President Reagan had no right to question the decisions of the 1945 Yalta meeting of Roosevelt, Stalin and Churchill, now seen as having led to the East-West partition of Europe.

Reagan, calling for free and democratic elections in Eastern Europe, told Polish-American leaders on Friday that he did not accept that the war-time summit conference of the leaders of the U.S., the Soviet and Britain implied U.S. consent to a divided continent.

Tass said it was a vote-catching speech in which Reagan defamed the Soviet Union and Poland and ignored the Soviet role in freeing Poland from Nazi German rule.

"No matter what Washington says concerning the political realities of post-war Europe, no one may call into question the decisions of the Crimea conference, just as no one may question the final act of the 1975 Helsinki conference on security and

cooperation in Europe. No one. The White House included," Tass said.

Tass said that, by questioning the results of Yalta, Reagan was echoing comments from Bonn favouring German reunification.

The Soviet media have attacked recent moves towards improving relations between East and West Germany, reminding East Berlin of its position within the Soviet bloc.

Commentator Igor Melnikov, writing in the official daily *Pravda's* international review *Today*, recalled the treaty between Bonn and Moscow on mutual non-use of force and West Germany's subsequent treaties with East European states.

He said the Bonn government had reiterated its intention of observing the provisions of the 1970 Moscow treaty, which normalized postwar relations with the Soviet Union. "However, it shows that words in present-day Bonn are often at variance with deeds," Melnikov said.

## Four Afghan border attacks kill 32 Pakistanis last week

ISLAMABAD — Pakistan said yesterday that at least 32 people died and 25 were wounded in four Afghan attacks during the week.

An official statement said 18 people were killed and 15 injured in two attacks Saturday by Afghan forces at Teri Mangal outpost, 100 kilometres from Peshawar, capital of the North-west Frontier Province.

In attacks last Monday and Tuesday in the same area 14 people were killed and 10 injured, according to earlier official statements.

The statement said the Foreign Office summoned the Afghan Charge d'Affaires for the fourth time in a week to hear a strong protest at continuing Afghan violations of Pakistani territory.

He was warned that Islamabad would hold Kabul responsible for the consequences if shelling continued, it said.

Afghanistan has denied the accusations.

Pakistan's permanent representative to the UN has been instructed to circulate details of the latest incursions among UN members, the Foreign Office said.

The border violations, which comprise the most serious outbreak since 45 persons were killed in January, occurred a week before a new round of talks in Geneva aimed at finding a political solution to the Afghanistan problem.

Indirect talks between Pakistan and Afghanistan are due to start on August 24 under UN sponsorship. It will be the fourth round in a series launched two years ago by the UN. (Reuters, AP)

## 1 million S. Koreans hear Billy Graham

SEOUL (Reuters). — An estimated one million South Koreans braved sweltering heat to listen to American evangelist Billy Graham preaching in a central Seoul plaza yesterday.

Graham is here to attend five days of celebrations marking the centenary of Protestantism in Korea.

Protestants are the fastest growing religious community in South Korea with more than 7.6 million members compared with 1.5 million Catholics and 10 million Buddhists.

## Call for gov't to step down in Bangladesh

DACCA. — A Moslem leader on Saturday called on Bangladesh's military government to transfer power to religious leaders instead of "pushing the country toward the brink of civil war."

Maulana Sadeq Ahmed, leader of Khelafat Andolan (Caliph's movement) spoke at a party meeting in Dhacca and said the government must step down to avert the strife threatening the nation with civil war.

Maulana Sadeq reiterated his party's demand of declaring Bangladesh an Islamic Republic and said "only Koranic rule can protect the rights of the people."

Meanwhile, Bangladesh opposition leader Sheikh Hasina Wazed has accused the military government of distributing relief goods and money intended for flood victims to benefit the pro-government Janadala party.

At least 470 people were killed, 25 million were affected and crops over an area of 5.6 million acres were damaged in floods which have ravaged Bangladesh since May.

Hasina, who heads the Awami League, also said that large sums of state money were being spent to build a political base for military president Hussain Mohammad Ershad. (AP, Reuters)

## Britain to deliver two ships to Iran

LONDON (Reuters). — Britain said yesterday it had released two naval support ships for delivery to Iran after receiving assurances they would not be used militarily in the Gulf war.

The 2,500-ton vessels, ordered in 1977 before Iran's Islamic revolution, are mainly designed for relief work and have hospital beds, the Foreign Office said.

A British newspaper, *The Sunday Times*, said the deal angered the U.S. which is trying to tighten an embargo on sales of military equipment to Iran and Iraq.

The paper said the ships could be used to support any bid to block the oil route through the Strait of Hormuz or land troops and equipment on beaches.

A Foreign Office spokesman said Britain told the U.S. and friendly Gulf states of the reasons for the deal. But British opposition politicians have criticized it on grounds that it would give advantage to one side in the war.

## 300,000 Ugandans reported massacred

LONDON (AP). — A rebel Ugandan leader was quoted yesterday as saying that an estimated 300,000 civilians have been massacred by government troops in the East African country since 1981.

The weekly *Observer* quoted allegations by civilians, guerrillas and deserters from the Ugandan Army that some of the killings occurred as a direct result of government policy, not for lack of discipline.

Reporter William Pike, during a 10-day tour of Uganda, reported seeing some 2,000 bodies.

"But that is a guess," he wrote. "How does one count bones and decomposing bodies pulled apart by animals and overgrown by bush?"

"Half a dozen times we passed human remains on the roadside," he added. "Some had been there for months. Others were only weeks old."

## Moslems charge Manila with killing civilians

MANILA (Reuters). — More than 300 people have been killed in a military operation against Moslem secessionist rebels in the southern Philippines during the past three months, Moslem opposition leaders said yesterday.

They told reporters the army, using helicopter gunships and tanks, overran the strongholds of the rebel Moro National Liberation Front (MNLF) in Lanao del Sur province, but said sporadic fighting continues.

The MNLF have been fighting for secession for more than 10 years. They operate in the southern Philippine island of Mindanao, where most Moslem Filipinos live.

Former Moslem senator Maminat Tamaro said the fighting started after the parliamentary elections last May 14. "Many of the casualties were civilians who were killed when the army started bombing the MNLF camps," he said. "Thousands of people have fled to the nearby provinces."

## Sports

### Budapest vies with Moscow

MOSCOW (Reuters). — The "Friendship-84" Games, organized by the Soviet Union and its allies following their boycott of the Los Angeles Summer Olympics, have so far not produced the expected records in track and field.

An athletics meet that started in Budapest yesterday outside the framework of the Friendship Games, has attracted more stars and looks set to surpass the results of the Moscow event.

In a test of strength — and possibly of several world records — Olympic track and field greats competed against Soviet bloc stars who missed the contests at Los Angeles.

The Budapest Grand Prix has become a sports festival here. As such, it differs from a series of hastily declared competitions in the Soviet bloc, created in an attempt to compensate athletes forced to boycott the summer Olympics.

"This year's Grand Prix will be the first joint test of strength for Los Angeles Olympic stars and for those who stayed away from the summer games," declared Laszlo Bekes, the organizing committee chairman, at a preliminary news conference.

Of the expected 300 participants from 30 nations, Bekes said there would be "15 Olympic champions, 10 world record holders and 15 of the winners of last year's Track and Field World Championships at Helsinki."

Included in the list of Olympic greats who have agreed to compete are America's Carl Lewis, the four-time gold winner in Los Angeles, and Valerie Brice-Hood, who captured three medals.

Among Soviet bloc stars who have said they will participate are Soviet hammer-thrower Yuri Sedykh, East German track star Martin Gossler and Soviet coach and Czechoslovakia's Jozsef Kratochvil.

### World record

LONDON (AP). — Kirk Bagdikian, U.S. winner of the 400m at the Los Angeles Olympics, broke the world record for the seldom run 300m, in 31.70 seconds at the Crystal Palace here, breaking Mel Lattany's old record of 32.1.

Carl Lewis, best American at the meet, the record, trailed home in fourth place.

### Mac ousts Jimmy

TORONTO (AP). — John McEnroe fought off a sluggish start in the second round of the \$450,000 player's International tennis tournament here.

Seeding his first Canadian Open title, McEnroe, 24, 6-3, 6-3 in a semi-final of the 1984 Canadian Open Open title, McEnroe, the No. 8 seed, in the final, defeated 33rd-seeded Kevin Curney of South Africa 4-6, 7-4, 7-6.

"I've played a lot better," said McEnroe, whose 1984 match record now stands at 58-1. "I think the Wimbledon final was the best I've ever played."

Gerulaitis, who barely survived two early round matches, was again extended to three sets.

"It just helps me to be getting these matches," said Gerulaitis, the 1982 Canadian Open champion. "As far as getting behind the eight-ball, I don't know if it means once you get out you can do it again."

In Mahwah, New Jersey, top-seeded Martina Navratilova hopes to score her 48th straight singles match tennis victory when she faces Pam Shriver in the finals of the \$150,000 United Jersey Bank Classic.

Navratilova defeated Pam Casale, 6-2, 6-3 in a 55-minute game while second-seeded Shriver beat Zina Garrison, 6-1, 6-1 in a match that took only 44 minutes.

### Swimming

NETANYA. — No records were broken in yesterday's opening day of the National Swimming Championships. The following were the main results: 100m, men's free style, Razieli Riemer 54.51; 100m, women's free style, Ayala Adar 1:02.20; 100m, men's breast stroke, Ayal Stieglman 1:06.20. Hador Rubinstein did not participate owing to illness.

### No change

LONDON (AP). — England names an "unchanged" team for the Test cricket match against Sri Lanka starting at Lords on Thursday. The selectors decided to keep faith with the team that was beaten in the final test by the West Indies in a series England lost 5-0.

### Baseball: Saturday

American League  
Minnesota 6, Boston 4, 1st game; Minnesota 3, Boston 1, 2nd game; Baltimore 1, Cleveland 6; Milwaukee 6, Cleveland 4, 1st game; Chicago 7, Toronto 4; Detroit 4, Seattle 3; New York 4, Oakland 6.

National League  
Atlanta 8, St. Louis 3; San Francisco 6, New York 5; Houston 5, Pittsburgh 9; Chicago 13, Cincinnati 11; Philadelphia 6, Los Angeles 5.

### Austrian Grand Prix

ZELTWEG, Austria (AP). — Austria's Niki Lauda drove his McLaren-Ferrari to victory in the Austrian Grand Prix, the 12th of 16 events in the World Formula One Driving Championships.



### Israel Lands Administration

Jerusalem District

#### Offer for Lease of 2 Plots for Multi-storey Construction Baka, Jerusalem

The Israel Lands Administration invites bids for a development contract concerning plots, details of which at the time of publication of the tender, are as follows:

| Tender   | Block | Parcel | Approx. area (sq.m.) | No. of storeys | Total bldg % | *Minimum Price (IS) | Deposit (IS) |
|----------|-------|--------|----------------------|----------------|--------------|---------------------|--------------|
| JM/84/84 | 30014 | 60     | 647                  | 3              | 78           | 32,354,061          | 1,600,000    |
| JM/85/84 | 30014 | 65     | 618                  | 3              | 78           | 32,589,090          | 1,600,000    |

\* The minimum price corresponds to the present state of development of the site.

The party awarded the tender will pay the additional cost direct to the development authority. Details, sample contracts and bid forms are available at our Jerusalem district office, 34 Rehov Ben-Yehuda, Tel. 02-224121, during regular working hours.

Deadline for submitting tender bids is 12 noon on Wednesday, September 19, 1984.

Bids not in the tenders postbox by the above time for any reason whatsoever, will not be considered. The Israel Lands Administration does not undertake to accept the highest or any other bid.

Israel Lands Administration

Jerusalem District

#### Offer for Lease of Plot for Construction of One Housing Unit in Yod Aleph Quarter, Ashdod

Tender No. JM/62/84

The Israel Lands Administration requests bids for a development contract concerning a plot, details of which at the time of publication of the tender, are as follows:

| Block | Parcel | Plot | Approx. area (sq.m.) | Gross building ratio | *Development Costs (IS) | Minimum Price (IS) | Deposit (IS) |
|-------|--------|------|----------------------|----------------------|-------------------------|--------------------|--------------|
| 2192  | 28     | 326  | 544                  | 25%                  | 2,292,715               | 5,832,188          | 290,000      |

In accordance with Municipal Building Plan 592/E, 25% construction will be permitted with an additional 10% of building area for balconies.

\* Development costs, linked to June 1984 Index of Road Construction Costs, to be paid separately to the Israel Lands Administration. Details, sample contracts and bid forms are available at our Jerusalem district office, 34 Rehov Ben-Yehuda, Tel. 02-224121, during regular working hours.

Deadline for submitting tender bids is 12 noon on September 19, 1984.

Bids not in the tenders postbox by the above time for any reason whatsoever, will not be considered. The Israel Lands Administration does not undertake to accept the highest or any other bid.

Israel Lands Administration

Hatza District

#### Offer for Lease of 2 Plots for Industrial and Workshop Construction in Industrial Area, Kiryat Bialik

Tender No. H/83/84

The Israel Lands Administration invites bids for a development contract concerning plots, details of which at the time of publication of the tender, are as follows:

| Block | Parcel | Plot | Approx. area (sq.m.) | Total bldg % on 2 floors | Allowable Building area (sq.m.) | Minimum Price (IS) | Deposit (IS) |
|-------|--------|------|----------------------|--------------------------|---------------------------------|--------------------|--------------|
| 10417 | 4      | 274  | 2,145                | 80                       | 1,716                           | 27,155,121         | 1,300,000    |
| 10417 | 4      | 275  | 2,126                | 80                       | 1,701                           | 27,155,121         | 1,300,000    |

The plots have been valued on the basis of their present state of development.

Participation in tender limited to Ministry of Commerce and Industry recommendees. Details, sample contracts and bid forms are available at our Hatza district office, 13 Rehov Hatatmaut during regular working hours.

Deadline for submitting applications for Ministry of Commerce and Industry references is September 19, 1984, and the deadline for bids is 12 noon on October 16, 1984.

Bids not in the tenders postbox by the above time for any reason whatsoever, will not be considered. The Israel Lands Administration does not undertake to accept the highest or any other bid.

Israel Lands Administration

Northern District

Tiberias Municipality

Arim Urban Development Co. Ltd.

#### Build Your Home in Tiberias — Stage C Remaining Plots

Several plots are still available at the above site in the framework of the Build Your Home programme. The plots will be allotted to the public on the basis of updated land value and development costs. Other conditions are as given in the original prospectus and subject to changes inherent in this notice. The plots will be allotted to the public on a first come, first served basis, from Sunday, August 28, 1984 at 10:00 a.m. A draw will be held among those present at the time indicated as the beginning of registration. A IS 50,000 bank cheque must be deposited during registration, which will be held at the Arim office, 18-100 Rehov Azmon. The cheque must be made payable to the Israel Lands Administration and will be considered a down payment on the lease. Additional details are available at the Arim office, at the above address.

This notice is valid until September 16, 1984.

Israel Lands Administration

Southern District

Omer Local Council

Arim Urban Development Co. Ltd.

#### Build Your Home in Omer Remaining Plots

Several plots are still available at the above site in the framework of the Build Your Home programme. The plots will be allotted to the public on the basis of updated land value and development costs. Other conditions are as given in the original prospectus and subject to changes inherent in this notice. The plots will be allotted to the public on a first come, first served basis, from Sunday, August 28, 1984 at 10:00 a.m. A draw will be held among those present at the time indicated as the beginning of registration. A IS 50,000 bank cheque must be deposited during registration, which will be held at the Lands Administration Southern District office, Rehov Ben Zvi (above Yahalom Hall), Beersheba. The cheque must be made payable to the Israel Lands Administration and will be considered a down payment on the lease. Additional details are available at the Lands Administration district office at the above address.

This notice is valid until October 1, 1984.

Israel Lands Administration

Southern District

Arim Urban Development Co. Ltd.

#### Build Your Home in Neveh Noi, Beersheba Remaining Plots

Several plots are still available at the above site in the framework of the Build Your Home programme. The plots will be allotted to the public on the basis of updated land value and development costs. Other conditions are as given in the original prospectus and subject to changes inherent in this notice. The plots will be allotted to the public on a first come, first served basis, from Sunday, August 28, 1984 at 10:00 a.m. A draw will be held among those present at the time indicated as the beginning of registration. A IS 50,000 bank cheque must be deposited during registration, which will be held at the Lands Administration Southern District office, Rehov Ben Zvi (above Yahalom Hall), Beersheba. The cheque must be made payable to the Israel Lands Administration and will be considered a down payment on the lease. Additional details are available at the Lands Administration district office at the above address.

This notice is valid until October 1, 1984.

Israel Lands Administration

Southern District

Arim Urban Development Co. Ltd.

#### THE JEWISH AGENCY ISRAEL EDUCATION FUND OF THE UNITED JEWISH APPEAL TENDER NO. 81/520/84

1. THE JEWISH AGENCY (hereinafter the Agency) invites tenders from building contractors for the construction of a: Senior Citizens' Centre in Kiryat Ata, within the framework of Project Renewal.
2. The projected construction is approximately 480 sq.m.
3. Conditions of the tender as well as all other pertinent information can be obtained from Monday, August 20, 1984 from the Agency, 17 Kaplan Street, Tel Aviv, room 717 between 9:00 a.m.-12 noon, against a non-refundable deposit of IS 8,000.



## Reagan II

Some Miscues  
On the Way to  
A Coronation

By STEVEN R. WEISMAN

AS they prepare for the Republican National Convention in Dallas this week, Ronald Reagan's legions can hardly believe their good fortune. Riding high in the polls again, the President seems eager to accept the Grand Old Party's made-for-television salute. Yet there were signs last week that Mr. Reagan has still to exorcise the political problems that have bedeviled him since he came to the White House.

All Presidential election contests take place on at least two planes: the level of character and values, and the level of issues. Few modern Presidents have equaled Mr. Reagan's success in projecting leadership qualities. So it was surprising that on the eve of the expected apotheosis in Dallas he and his advisers stumbled on leadership as well as on issues.

The difficulties came initially from Mr. Reagan's off-the-record joke, delivered while he was testing the sound level of a radio microphone, to the effect that he had just

signed legislation to "outlaw" the Russians. "We begin bombing in five minutes," he added, amid laughter in the background. Then there was the acknowledgement of Michael K. Deaver, the deputy White House chief of staff, that Mr. Reagan sometimes had "difficulty staying awake" at Cabinet meetings because they were "sometimes boring." The remark astounded Mr. Deaver's colleagues — "What could have possessed him?" asked one — not for being untrue but for being so impolitic.

White House aides feared that the Deaver comment would stir reminders that Mr. Reagan, who looks as fit as ever, is a 73-year-old man who wears a hearing aid. The bombing joke, a boon for cartoonists, was attacked by the Russians as "unprecedentedly hostile" and created a minor international sensation. It also provided Walter F. Mondale, the Democratic Presidential nominee, new ammunition with which to question Mr. Reagan's commitment to reducing tensions with Moscow.

Mr. Mondale is also trying hard to exploit what Democrats assert is a widespread perception that Mr. Reagan cares less for the poor than for the wealthy. There was new ammunition on that front last week in a report by the Urban Institute, a nonpartisan research organization, that while the average family was better off than in 1980, there were widening disparities in the incomes of rich and poor people. Mr. Reagan said yesterday that some analysts had looked for "gloom and doom" in the report and ignored its more favorable findings.

In any case, Mr. Reagan's opponents have long recognized that personal attacks on a popular incumbent tend to backfire. And the Democrats seem further handicapped in attacking the President by their candidate's trouble projecting a sense of leadership and values as clearly defined as Mr. Reagan's. They have had more success recently in exposing the President's political vulnerabilities on issues. Mr. Mondale's challenge to Mr. Reagan to admit that if re-elected he would raise taxes led to an awkward series of Administration pronouncements and "clarifications," culminating in Mr. Reagan's acknowledgement, in a made-for-publication question-and-answer exchange with White House spokesman Larry Speakes last week, that tax increases were indeed a possibility in 1985, though only as a "last resort."

**Polls Show Little Change**

Some Reagan associates acknowledged that Mr. Mondale had won the initial round on taxes. But with relief and delight they pointed to the latest New York Times/CBS News poll. It and other soundings indicated that the tax issue seemed to have had little effect on the voters. The Times/CBS poll showed that the Reagan-Bush ticket commanded the same 49 to 34 percentage

point lead over former Vice President Mondale and Representative Geraldine A. Ferraro as it did in June.

Most Reagan-Bush campaign aides saw the confusion surrounding the President's tax statements as the result of staff problems. But a few said that the difficulty was far deeper. They agreed that there is an inherent danger in Mr. Reagan's determination to run for re-election without spelling out what he plans to do about the Federal deficit. Starting with his State of the Union and budget messages earlier this year, Mr. Reagan has offered generalities about trimming "wasteful" domestic spending and "simplifying" the tax code. But Administration officials acknowledge privately that if re-elected, he is virtually certain to seek cuts in Medicare, farm price supports and aid to schools. Some also talk of proposals to reduce rates on the income tax and impose a national sales tax or "flat" tax, which in its purest form would eliminate deductions and tax everyone at the same rate. Indeed the Republican platform, approved last week, said that a "flat tax" was a "promising" idea.

Strategists in both parties agree that Mr. Mondale's task will be to try again to smoke out Mr. Reagan on taxes and spending. Political analysts say that if Americans are asked whether they would prefer tax increases or cuts in "wasteful" Government spending, they would answer one way; if asked whether they prefer raising taxes on corporations and wealthy individuals to cuts in health care for the elderly, they would answer another.

But in the week of the Republican National Convention, few expect a contest on the level of issues. Mr. Reagan's aides have labored for months to have a triumphant celebration of the President's appeals to the values of work, family, religion and neighborhood. Only after the convention closes will it begin to be clear whether the contest will be on the level of issues as well as on the level of character and values. (The G.O.P. platform, page 2.)

Questions Go  
All Around on  
Money Matters

GERALDINE ANNE FERRARO's solo campaign swing was last week. It was a little bumpy. The Democratic Vice Presidential candidate was greeted by enthusiastic crowds during a four-day tour of California, Oregon and Washington, just as she had been on a soaring training flight through the South with Presidential nominee Walter F. Mondale earlier in the month. But at each stop, coverage concentrated mostly on the refusal of John A. Zaccaro, the New York real estate executive who is her husband, to make public his Federal income tax returns, as she had promised. Yesterday, Mrs. Ferraro announced that Mr. Zaccaro's returns would be released tomorrow. "I am pleased," said Mr. Mondale.

Not that all else had been going swimmingly for the Democrats. During a Southern tour last week, Mr. Mondale was overheard on his campaign plane complaining about the uncertainty of the Rev. Jesse Jackson's support. "We gave him Ernie Green," a recently hired deputy campaign director who is black, Mr. Mondale said, "and that didn't help. It looks like I'm going to have to win this thing on my own." In Louisville, Jackson supporters greeted him with the chant, "How can you win without us?"

Despite the Republicans' joy at having found — for a time at least — a "genderless issue" that they could use without risking a back-

lash of sympathy for Mrs. Ferraro, the family finance matter didn't completely overshadow the question that has dogged the White House for weeks — tax increases, and whether Mr. Reagan is contemplating them. Mr. Mondale called the Administration's latest estimate of shrinking Federal deficits "another set of cooked figures." (Administration budget revisions, page 2.)

Nor was the zeal of some members of the party without its risks. White House aides announced they had asked Anne McGill Burford not to lead a conservative "truth squad" whose mission is to discredit Mrs. Ferraro by charging in television commercials that she had perpetrated "a real scandal on Capitol Hill." Mrs. Burford resigned from two Administration environmental posts under heavy criticism from members of both parties.

Other tender subjects for the White House included the submission, after two extensions, of the annual financial disclosure statement of Edwin Meese 3d, the White House counselor who is President Reagan's nominee for Attorney General. Confirmation hearings have been postponed while a special prosecutor investigates allegations that he helped get Federal jobs for people who helped him financially. Meanwhile, the Federal Bureau of Investigation was reported to be looking into John R. Block's financial dealings. The issue is whether the Agriculture Secretary could indirectly profit from a \$400,000 Farmers Home Administration loan made to John W. Curry, one of his business partners, to cover drought losses.

## Ferraro's Husband Reluctantly Agrees to Release Tax Forms

## Full Disclosure Is Now a Family Affair

By JOHN HERBERS

DURING confirmation hearings in 1974 on Nelson A. Rockefeller's nomination as Vice President, the Senate was never able fully to determine whether his financial dealings constituted conflict of interest, or how much disclosure was enough. Mr. Rockefeller's fortune was so intertwined with those of his brothers that it was difficult to separate the national interest from Rockefeller interests. A decade later, such concern continues.

There are, however, differences. One is that attention has centered on spouses rather than brothers — most prominently John A. Zaccaro. The New York real estate man who is the husband of Democratic Vice-Presidential nominee Geraldine A. Ferraro had, until yesterday, balked at releasing his tax returns. Another is that the concern has, if anything, heightened. This is in part because the Watergate scandals of a decade ago have left an indelible mark. High public officials and their relatives are no less held up to exacting, public scrutiny and criticism today than they were in the months following the resignation of Richard M. Nixon as President on Aug. 9, 1974. And this is true despite the fact that most of them do not like it one bit.

Antoinette Hatfield's acceptance of a \$55,000 finder's fee for an apartment from Basil A. Tsakos at the time her husband, Senator Mark Hatfield of Oregon, was helping Mr. Tsakos promote an oil pipeline across Africa is under Federal investigation. She said, "The wife of a public figure is a second class citizen." President Reagan let it be known he was highly displeased that his aide, Edwin A. Meese 3d, was criticized for finding a Government job for a man who had lent his wife \$15,000. And while the House was voting to condemn Representative George Hansen of Idaho for falsifying his financial disclosure statement by omitting financial transactions of his wife, some of those voting against him publicly were commiserating privately about how unfair it was. Only the force of public distrust of politicians, they explained, made them act as they did.

In the old days, the private finances of a Theodore or Franklin Roosevelt or a Herbert Hoover were off limits to public scrutiny. In 1932, in the famed "Checkers" speech, a young Richard Nixon running for Vice President could blunt criticism of his acceptance of cash gifts from rich businessmen with an emotional television appearance. It is hard to imagine that today a Lyndon Johnson could amass a large fortune while on a relatively small public salary, while few questions were asked.

Under the new standards, Mrs. Ferraro had been under pressure since her nomination last month to make a full disclosure of both her and her husband's financial records, in keeping with post-Watergate practice and law. The trouble started last week, when she told reporters that she promised to release the tax returns of both without consulting her husband, and that he was unwilling to do so for fear it would compromise his real estate dealings. After days of increasing pressure, the announcement was made that Mr. Zaccaro would release his tax returns back to 1979, when Mrs. Ferraro entered Congress and they began filing separate forms.

Release of the returns is not required by law. But since 1976 both Presidential and Vice Presi-



Associated Press (Ferraro); Magnum/Gilles Peres  
Vice Presidential candidate Geraldine A. Ferraro, campaigning last week; and her husband, John A. Zaccaro.

dential candidates have provided them for themselves and their spouses. The Ethics in Government Act of 1976, the main law providing for disclosure, has detailed requirements for listing information about the income, holdings, gifts, liabilities and transactions of members of Congress, ranking Federal officials, judges, candidates for President and Vice President and, with narrow exceptions, their spouses.

There are a number of reasons other than the lasting memory of Watergate why the new standards appear to be more than a passing phase. Working women. As women have entered politics and the work force in increasing numbers, the possibility of conflict of interest through a spouse has broadened, as shown by Mrs. Ferraro's faltering efforts to show that her finances were separate from her husband's.

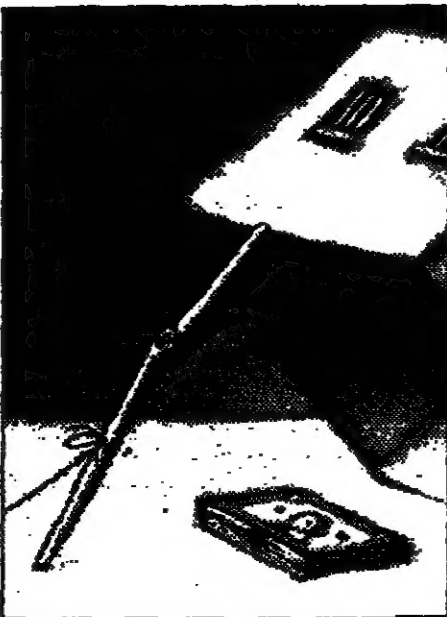
Money in politics. In recent years American politics has seemed afloat on a sea of money pumped into political campaigns by a growing array of special interest groups willing to put up as much as necessary to gain access to public officials. To detect conflict of interest, disclosure of the financial dealings of both the officials and their spouse is essential, many experts on Government ethics say.

Increased regulation. Despite President Reagan's declared intent to reduce the role of Gov-

ernment in American life, the trend is in the other direction. The bail-out of the Chrysler Corporation and the Continental National Bank are two examples. With every new regulation, the possibility of conflict of interest grows.

Opponents of full disclosure and enforcement say whatever the necessity there are drawbacks, including the fact that the search for official wrongdoing distracts attention from important policy development. There are also little ironies. While Vice President Bush was joining in Republican criticism of Mrs. Ferraro for not disclosing her husband's tax returns, he said he could not release his own. The reason he gave was that, as required by law, he put his holdings in a blind trust to avoid conflict of interest when he took office and if he released his returns he, as well as the public, would know where his money was. Instead, he last week released a statement showing that his net worth, about \$2.1 million, increased by \$300,000 in the past five years.

Finally, the new standards make it difficult for a Presidential nominee to pick a running mate who has not been a national political figure long enough for the record to be thoroughly explored. Mrs. Ferraro might have remained a member of Congress for many years and never have been challenged about her husband's business dealings or her connections with them.

DeLorean:  
entrapment  
backlash?



# The Nation

## The Airlines May Get a Traffic Cop

The Reagan Administration has concluded that, in the case of the airlines, a temporary retreat from deregulation may be in order to unclog the nation's runways.

Transportation Secretary Elizabeth Hanford Dole last week told the carriers that Washington will slap rush-hour restrictions on a half dozen of the busiest airports unless they voluntarily reduce the congestion themselves. She and officials of the Federal Aviation Administration announced rules that would, if they are implemented late next week, establish minute-by-minute takeoff and landing schedules for flights during peak periods.

Appearing in Atlanta at the first of a series of meetings with airline executives, Donald D. Engen, the F.A.A.'s administrator, called the rules "a last and least desirable result." He said unusually bad weather

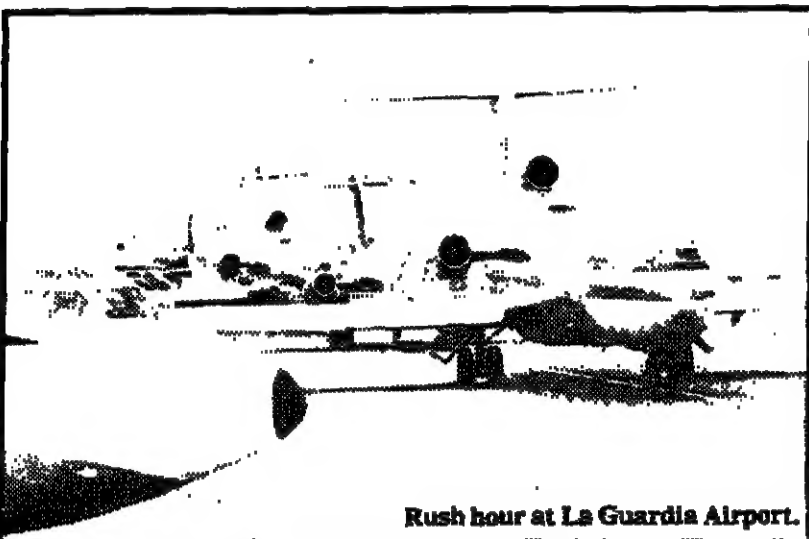
ment that industrial production rose 0.9 percent in July meant that particular index stood 10.6 percent higher than a year ago.

Many Democrats, whose party line is that whopping deficits have been caused in large part by Reagan-initiated tax cuts, regard the optimistic O.M.B. figures as campaign boilerplate. Walter F. Mondale, who has promised to reduce deficits by two-thirds by the end of his first term, called the projections "garbage." Mr. Mondale said earlier that he would unveil his own plan after the White House and the Congressional Budget Office released their estimates.

The far less upbeat C.B.O. figures, made public earlier in the month, projected a deficit of \$263 billion by 1989. Mr. Reagan termed the figure compiled by the C.B.O. — which, unlike O.M.B., didn't assume that interest rates would plunge any time soon — "rather poor."

## Military Money

Pentagon spending has surged dramatically in recent years, but



Rush hour at La Guardia Airport.

The New York Times / Richard Sandler

was responsible for some of the delays — which totaled a record 40,852 in June — but that most of the glut was caused by the airlines attempting to make the most of absence of controls, which the Government formally dropped in October 1978.

Spokesmen for several airlines said they might go along with self regulation if the alternative was intervention by Washington. "It is difficult to say whether the airlines can all sit down together and agree to who's going to give up peaktime flights," one airline official said. "But it's got to start somewhere."

Under the proposed regulations, which appeared to have been further prompted by recent reports of near mid-air collisions, the Atlanta airport would be limited to 120 takeoffs and landings between 7 a.m. and 9:59 a.m. and between 4 p.m. and 5:59 p.m. Similar restrictions would be imposed at major airports serving New York City, Chicago and Denver. The rules would expire next spring, F.A.A. officials said, but could be reimposed if the airlines still hadn't voluntarily scaled back their flight schedules.

In the past, most of the carriers have tended to blame the Government for the delays as well as the close calls in the air. The F.A.A., the airlines say, hasn't moved quickly enough to hire and train replacements for the air controllers the Government dismissed in 1981 after they staged an illegal strike.

## O.M.B. Predicts A Deficit Peak

The Federal deficit isn't about to be done away with, as Ronald Reagan once proclaimed, but the tide of red ink will soon begin to recede, the Administration predicted last week. However, that prospect was not without doubters.

The Office of Management and Budget projected in its midyear budget review that the deficit would hit \$172.4 billion in fiscal year 1985 and, by the end of the decade, decline to just under \$162 billion. That's assuming that Congress enacts no further spending cuts or tax reductions beyond those included in this year's deficit-reduction package. And if the economy grows at a blazing pace, sharply reducing unemployment in the process, and Congress accepts President Reagan's budget-trimming proposals, the deficit could be brought down to \$21 billion by 1989, the agency said.

But the pace was hardly blazing for housing starts, which declined by a sharp 8.6 percent in July, according to the latest Commerce Department figures. And while personal income rose 0.8 percent in July, consumer spending slowed for the third straight month, rising by only 0.3 percent.

Further, some O.M.B. officials say that their best-case deficit projection assumes faster economic growth than the country experienced in the 1980's, something considered extremely unlikely, and that, in any case it may not be possible for the country to simply grow its way out of the deficit. Last week's announce-

fewer states have been getting a piece of the action, according to a consultant's study released last week.

James R. Anderson, professor of political science at Michigan State University, said the emphasis given new weapons and equipment has meant that states with concentrations of military contractors have been getting a disproportionately greater share of the money.

For instance, between fiscal years 1980 and 1983, spending in California (with its many airplane and missile fabricators) increased \$9.8 billion; outlays in Virginia (home for a number of big shipyards) jumped \$8.6 billion.

In the Northeast, New York State was said to have paid \$8.3 billion more in taxes than it got back in Pentagon spending, and Pennsylvania and New Jersey more than \$5 billion each.

## Georgia's Surprises

The state that produced Gov. Lester Maddox, who campaigned with a handle, and Gov. Jimmy Carter, who stumped with smiles, continues to offer up notable politics.

While Robert Benham's election to the Georgia Court of Appeals last week made him the first black ever to win a statewide office there, State Representative Hosea Williams, a black civil rights activist, lost a Congressional primary to the white incumbent in a predominantly black district. And Julian Bond, probably the nation's best-known State Senator, found himself scrambling for votes against his first opposition in a decade.

Judge Benham, who was appointed earlier this year to fill an unexpired term, won handily against three opponents in a nonpartisan election, getting 60 percent of the vote in a state that is 30 percent black. But any racial crossover in the Democratic primary involving Mr. Williams, a longtime aide to the Rev. Dr. Martin Luther King Jr., went in the other direction.

Despite the endorsement of Atlanta Mayor Andrew Young, Mr. Williams was swamped by Wyche Fowler Jr., the white liberal incumbent, who won by more than two-to-one. The consensus in Atlanta seemed to be that Mr. Williams did poorly because of his somewhat erratic political history — he endorsed Ronald Reagan in 1980 — and his attempt to turn the contest into a strictly racial one.

Mr. Bond, meanwhile, held onto the Democratic nomination for his State Senate seat with a surprisingly low 54 percent of the vote against Hildred W. Shumake Jr., a political newcomer who accused the incumbent of spending too much time on national affairs and too little time in his district. Mr. Bond, who was forced into his most active campaign since he was elected to the State Senate in 1974, promised he would "work harder" in the future.

Michael Wright, Caroline Rand Herron and Caryle C. Douglas

## Conservatives Dominated Platform Sessions Last Week

# G.O.P. Party Machinery Turns Right

Senators Lowell P. Weicker Jr. of Connecticut, seated, and Jesse Helms of North Carolina in a conciliatory moment at a platform committee meeting last week.



The New York Times / Paul Heston

By STEVEN V. ROBERTS

DALLAS — Representative Olympia J. Snowe testified last week before the Republican platform committee in support of the equal rights amendment. Carmel Sirianni, a delegate from Pennsylvania, questioned whether women really faced discrimination and whether laws would help them anyway. Mrs. Snowe replied that there is "example after example where discrimination exists." And if laws won't help, the Representative from Maine continued, "what is available to us?" Mrs. Sirianni shot back: "Hard work."

The vignette told a lot about the status of moderate Republicans at the party convention, which opens here tomorrow. About one quarter of the delegates identify themselves as moderates ("liberals" are practically an extinct species; only about 1 percent admit to that description). But conservatives took control of the platform proceedings, curtly dismissing those who tried to soften the language of the draft document.

The panel rejected, 106 to 15, the proposal to en-

dorse the equal rights amendment, and refused to incorporate a statement expressing respect for Republicans who support the proposal. On taxes, the document says: "we oppose all attempts to increase taxes," although all week the White House had insisted that an "iron-clad" promise not to raise taxes would "lock in" the President. And over Administration protests, it criticizes the Federal Reserve Board. The document follows the White House in supporting voluntary school prayer and condemning abortion under virtually all circumstances.

The make-up of the platform panel dramatized the point made by a White House operative last week. "The moderates," he said, "won't take the time to participate in the nitty-gritty of politics." About a dozen conservative members of Congress spent a steamy August week here; the only moderate willing to expend that energy was Senator Lowell P. Weicker Jr. of Connecticut.

During a break in the proceedings, Senator Weicker recalled the days when the conservative wing of the Republican Party "could meet in a phone booth." They have triumphed by "doing

their homework," he said, and if the moderates are to revive, they have to follow Mrs. Sirianni's prescription of old-fashioned virtue. "I plan to do what the conservatives have done — take over the party some day," said Mr. Weicker.

He faces a tough job. The moderate wing of the party was strongest in the 1960's when Senators like Jacob Javits of New York, Clifford Case of New Jersey, George Aiken of Vermont and Hugh Scott of Pennsylvania dominated the Republican side of the aisle in Congress. These leaders often took a traditional and cautious approach to economic policy. But they strongly supported civil rights and took an internationalist outlook in foreign policy. Their strength was rooted in the big urban states like New York. But they also drew on the populist heritage of the Middle West.

The shift of population to the Sun Belt and the development of a two-party system in the South have strengthened the role in Republican politics of more conservative states. Fundamentalist religious groups have become more politically active in recent years. Moreover, the right, sensing the enormous potential of direct mail fundraising techniques, used new technology to raise money and gather supporters.

## Keeping the Flame Alive

But House members from Northeastern and Middle Western states have worked together effectively to win more Federal money for programs such as education and job-retraining. Many are also concerned about environmental issues such as acid rain. The House Wednesday Group, an informal organization of G.O.P. moderates, recently issued a comprehensive report on women's rights. Republicans played a crucial role in arms control debates.

In the Senate, Mr. Weicker and five other moderates have joined forces to exert pressure on the Republican leadership, which commands only a five-seat majority. They have led the fight against attempts to ban abortion and enact laws sympathetic to school prayer, and have pushed for tax increases to help balance the budget. When Congress convenes in January, the group hopes to win a leadership post for one of its senior members, Senator John H. Chafee of Rhode Island. If, as expected, the G.O.P. margin shrinks, the moderates could hold the balance of power.

The moderates are banking on two things — in addition to hard work — to recapture their party. They believe that Ronald Reagan was elected mainly because of his personal charm and appeal, not because of his ideology, and they do not think any other conservative running in 1988 can hold on to the coalition he has fashioned. And they believe that an oft-cited iron rule of American politics, that elections are won at the center of the spectrum, will eventually hold true.

"The country is a progressive, moderate nation," said Representative Jim Leach of Iowa, who has formed a group called the Republican Mainstream Committee. "Yet our party is becoming ideologically narrow." Mary Louise Smith, a former national chairman of the party and a leading voice among the moderates, added: "Over time, the pendulum has to swing. We will see the dangers of extremism."

## Despite Loss in DeLorean Case, 'Sting' Operations Will Continue

# Feds Run Into an Entrapment Backlash

By STUART TAYLOR Jr.



John Z. DeLorean

a multimillion-dollar cocaine deal with undercover agents posing as drug traffickers — was a sharp rebuff for the Government's strategy of seeking to trap its quarry.

Several jurors underscored the point by saying they were sending a message that Government agents should take better care "to protect the innocent, as opposed to creating situations in which crimes may take place," as juror Nancy Anderson put it after the verdict.

The success of the former auto magnate's defense charging entrapment has put some wind in the sails of a few Congressmen and others who want strict limits on the undercover operations that have become so common in recent years.

But those who hope for the demise of schemes by Government agents to ensnare their targets by disguising themselves as criminals and manufacturing criminal opportunities, often with the help of unsavory informers, are likely to be disappointed. Attorney General William French Smith said last week that "an acquittal in one case will not affect our use of undercover operations," which he said were often the only way to get at "organized crime, drug trafficking, bribery and public corruption."

## Civil-Liberty Fears

Representative Don Edwards, Democrat of California, says unrestricted Government efforts to "inject an undercover agent into somebody's life" threaten civil liberties. Such operations, like the use of wiretaps, should be allowed only if a judge finds in advance that the target was "engaged or about to engage in criminal conduct." But he conceded that the idea of blocking such methods has little support in Congress.

Long used by state officials pursuing drug dealers, sellers of stolen goods and muggers, undercover tactics have been much more in evidence since the late 1970's, when the Federal Bureau of Investigation started using them against powerful and famous people.

In the Abscam case, undercover agents disguised as rich Arabs, assisted by a former con man, laid out their bait to entice members of Con-

gress to demonstrate a willingness to be corrupted in front of concealed videotape cameras.

In Operation Greylord, Federal prosecutors suspecting corruption in the Cook County, Ill., courts concocted phony cases, sent agents in to bribe judges and ended up indicting 18 men, including 3 sitting judges and a former judge.

In Mr. DeLorean's case, the target was a flamboyant former top executive at General Motors Corporation. Prosecutors sought to show that he wanted to sell more than \$4 million in cocaine, obligingly provided by undercover agents, to save his British-American automobile company.

Debate over the morality of such operations is fueled by concern that overzealous agents will manufacture cases against innocent citizens as well as criminals. But their legality has been largely established by appellate court decisions upholding convictions in the Abscam and other cases, subject to some outer boundaries such as the use of entrapment, the defense used by Mr. DeLorean. In theory, this defense is available only to a defendant who was induced by Government agents or informers to commit a crime that he was "not ready and willing," or predisposed, to commit, Federal District Judge Robert M. Takasugi told the DeLorean jury.

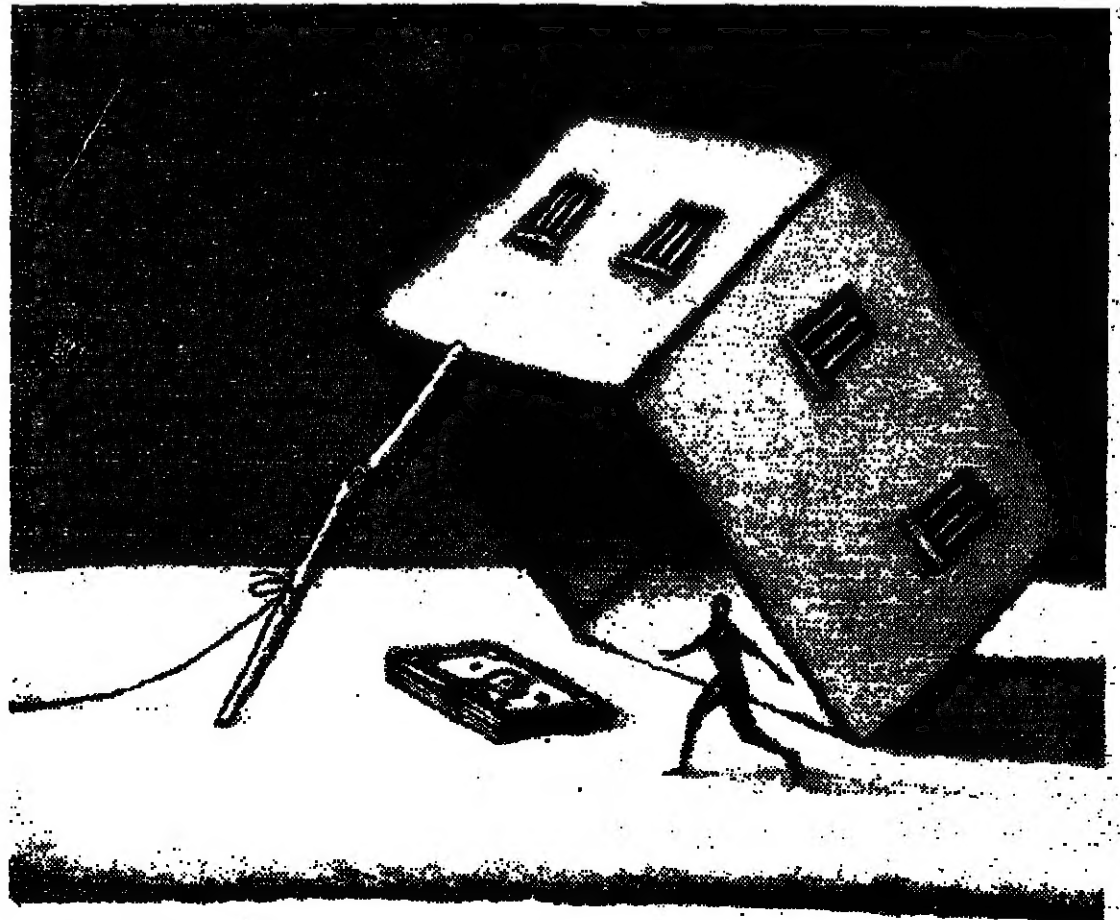
But some experts think the prosecution made a strong case that Mr. DeLorean, who did not take the witness stand in his defense, was ready and willing to make a few million dollars selling cocaine. There was, for example, the videotape

showing him with a cache of cocaine he said was "better than gold." The verdict may thus suggest that if jurors are sufficiently offended by Government conduct, they will refuse to convict even defendants whose rectitude they doubt.

Mr. DeLorean's lawyers put the Government on trial and showed that Federal agents who played a major role in the investigation altered or backdated documents to make their case look better and, the lawyers suggested, to advance their careers. A key Government witness, James Timothy Hoffman, was an admitted perjurer and cocaine smuggler who, defense lawyers maintained, made a cynical deal with Federal agents to make a profit by destroying his neighbor, Mr. DeLorean. Gerald V. Scott, a former Federal drug agent, testified for the defense that Mr. Hoffman had said at least two months before Mr. DeLorean's October 1982 arrest, "I'm going to get him for you guys." Mr. Hoffman had also demanded, but not received, a share of any DeLorean money that might be confiscated.

Then there was testimony that James P. Walsh Jr., the chief prosecutor, had led agents in drinking a toast to the prospect of making the cover of Time magazine by nailing Mr. DeLorean.

All this, and Mr. Scott's testimony that "we were on a steamroller and we lost sight of where we were," may help explain why a sting operation roughly similar to the one that bagged seven members of Congress failed to convict one debt-ridden former head of a bankrupt auto company.



David Ransome



# The World



Stefan Korboński, president of the Polish Council of Unity in the United States, presenting plaque to President Reagan last week.

## Poland Asks for Talks, Reagan Gives a Lecture

Poland's leaders wanted to talk last week about lifting sanctions, but President Reagan, speaking to Polish-Americans, had other things in mind. Warsaw, having released nearly all its 652 political prisoners, said it was ready to negotiate the lifting of American sanctions, that blocked Polish airline landings and scientific cooperation. An official in Warsaw also said Poland would repay \$100 million — half its overdue bill on United States loans and interest — as remaining sanctions on trade and new loans are lifted.

Mr. Reagan, however, directed his attention to changing the status quo in Eastern Europe, a topic that is taboo in Communist countries. Sounding a familiar theme, he vowed to "press for full compliance" with World War II Soviet-American-British promises to insure "free democratic elections" in Eastern Europe. "Passively accepting the permanent subjugation of the people of Eastern Europe is not an acceptable alternative," he said. As a model of activist pressure, he cited the sanctions he imposed when Poland decreed martial law in 1981. Poland last week blamed the sanctions for "deepening the hardships of everyday life."

Mr. Reagan also announced plans to ask Congress for \$10 million for a farm program under Polish church auspices. As for the remaining sanctions, he reiterated that they would be lifted "one by one in response to meaningful improvement in the human rights situation in Poland." Lech Walesa, founder of Solidarity, the banned union, said the sanctions should be abandoned. But he cautioned that many of the released prisoners have been unable to get their old jobs back, a problem that "must be solved fairly soon."

## More Killing in Sri Lanka

In Sri Lanka, an island country of 15 million people near the southern tip of India, the Sinhalese majority and the Tamil minority do not speak the same language. Last week, their linguistic, ethnic and religious differences were exacerbated by Tamil terrorism and army reprisals in a revival of violence that took hundreds of lives last year.

Officials said 99 people, including a dozen soldiers, had been killed in the last two weeks. They confirmed that soldiers, angered by a guerrilla ambush last weekend, burned more than 100 shops in the northern, Tamil town of Mannar. The Government blamed leftists in the army (which is predominantly Sinhalese).

The Roman Catholic Bishop of Mannar, Thomas Sundararam, disagreed. "Police and army are harassing innocent people," he said. "They are as brutal and beastly as ever." Mindful of the sensitivities of 55 million Tamils living in southern India, Prime Minister Indira Gandhi said, "The killing of innocent people in Sri Lanka is highly shocking."

Most Tamil guerrilla groups want a separate Tamil country. The largest Tamil political party, which campaigned for separatism in 1977 elections, now says it is open to other solutions. Under pressure from the mainly Sinhalese Buddhist clergy and opposition politicians, the Government pulled back from a proposal for regional autonomy that it had submitted to an all-party conference. Instead, the Government offered greater Tamil representation in a proposed second house of Parliament. The body would not deal with security and ethnic issues, Tamil politicians noted as they rejected it.

## The Shake-Up in Teheran

The war with Iraq claimed some casualties in the Iranian Cabinet last week. Parliament dismissed five ministers including Defense Minister Mohammad Salmi, and sacked four other Government officials. Three new ministers were named — a hard-liner, a liberal and one described as "obedient."

The shake-up followed a bitter parliamentary debate broadcast over

Teheran radio in which speakers heaped blame on the Cabinet for Iran's troubled military effort and faltering economy. The complaints were said to reflect a move away from Moslem fundamentalism toward practical concerns. "The destiny of the world is determined on the diplomatic scene," Foreign Minister Ali Akbar Velayati said. "The direct guidelines I have received from the Imam are diametrically opposed to isolation."

The Imam — Ayatollah Ruhollah Khomeini — had criticized Teheran radio for implying approval of the mining of the Red Sea, and denied involvement in the hijacking of an Air France jet to Teheran. To Abolhasan Bani-Sadr, the former Iranian President who now lives in France, it all pointed to a more moderate Iran. "The events of the last two weeks," he said, "show that the regime is aware that it cannot get out of the current impasse just by creating new crises."

## Wary Eyes on Unesco's Books

Dissatisfied members of the United Nations Educational, Scientific and Cultural Organization want their money back. Specifically, the United States, Britain, Switzerland and the Netherlands want their share of an \$80 million surplus now in an account used by the Paris-based agency to offset currency fluctuations, and last week an official of Unesco said they would get it.

The countries had feared that the money would be shifted into the operating budget should the United States, which foots 25 percent of the organization's \$185 million-a-year tab, or any of the others follow through on threats to quit the agency. Washington has accused Unesco of being biased against the West and says that instead of imposing its "new world information order" to limit the freedom of Western news organizations to report on third world countries, the agency should devote more of its resources to helping those nations.

The dispute comes on the heels of the resignations of several senior staff members, one of whom complained of the agency's "professional decay." The Ivory Coast, Austria and Denmark have canceled visits from Unesco's Director General, Amadou-Mahtar M'Bow, and Japanese leaders gave him the cold shoulder when he arrived for an agency meeting in Tokyo last month. To upgrade Unesco's image in the United States, Mr. M'Bow recently retained a Washington public relations firm, at an estimated \$15,000 a week.

## Population Politics

It was perhaps inevitable that before the United Nations Conference on Population finished its head counting, some toes would get stepped on. First, six members of Congress attending last week's sessions in Mexico City complained about the Reagan Administration's new policy of denying funds to private organizations that "perform or actively promote" abortion. Then, the chief United States delegate, James L. Buckley, complained about a resolution condemning the establishment of settlements in occupied territories, an apparent swipe at Israel. Finally, State Department officials complained that Mr. Buckley had insulted a department aide he accused of failing to block the objectionable resolution in preliminary meetings.

Still, the nine-day meeting produced 88 recommendations that update a plan adopted at a similar conference a decade ago. Since then, the annual global growth rate has declined from 2.03 to 1.67 percent, but third world countries are growing much more rapidly than developed ones, and falling farther behind economically as a result. Among the agreed-on remedies were an improvement in the status of women, an end to forced marriages and a delay in childbearing in places where it is the custom to give birth at an early age.

Mik Freudenheim, Richard Levine and Henry Gmiger

## The Banning of a New Yorker Led to Violence in Ulster Last Week

### For Noraid, A Tour of Ireland and Its Troubles

By JO THOMAS

BELFAST, Northern Ireland — To American eyes, there is a surreal quality to the ghettos of West Belfast separated, Protestant from Catholic, by grotesque two-story steel or concrete "peace walls." There is little street crime here. Tiny children play in seas of broken glass, but police officers in bulletproof vests and soldiers in camouflage often look frightened. In 15 years since the British Army arrived to keep order, 200 policemen and 377 soldiers have been killed, along with 2,500 other men, women and children.

Last week, a group of Americans came to visit under the auspices of Sinn Féin, the political arm of the Irish Republican Army and Noraid, the Irish Northern Aid Committee, which raises money in the United States. For \$200 (air fare not included) subscribers were promised food, lodging, bus transportation and a chance to see "the reality of British rule in Ireland." August is the month for demonstrations and offers the opportunity not only to see the poverty and feel the apprehension but also to hear it analyzed at length from Sinn Féin's point of view.

Last Sunday, the visitors and worldwide television viewers saw more than anyone had expected as the police tried unsuccessfully to arrest Martin Galvin, Noraid's publicity director, whom British authorities had banned. Policemen fired plastic bullets, killing a man and wounding others. Their explanation — that they were attacked by rioters — was contradicted by eyewitnesses. The incident provoked outrage among Catholics. Sinn Féin had a new martyr. The Royal Ulster Constabulary had a black eye. And James Prior, Britain's Northern Ireland secretary, enraged Protestant loyalists when he conceded that banning Mr. Galvin, who has Irish citizenship and was easily able to cross the border, was a mistake. At a march honoring the shooting victim, Sean Downes, a statement from Mr. Galvin, a New York City sanitation department lawyer, promised "unending support for your struggle for peace with justice, for freedom." In New York, Michael Flannery, a Noraid director, said publicity about the shooting would



Noraid members touring Northern Ireland last month being entertained aboard their bus by an armed IRA member.

generate "an extra \$50,000" on top of the \$250,000 his group will send this year to Dublin offices it shares with Sinn Féin and The Republic, "the propaganda paper for Sinn Féin and the I.R.A." Noraid officials reported on the shooting yesterday at a rally in Manhattan.

The money goes to sustain dependents, not for guns, Mr. Flannery insisted. But he added: "The I.R.A. could not continue if we weren't feeding their dependents." And one Noraid tourist, speaking of the money to television reporters, said, "If they want to buy weapons with it, I say good luck." Mr. Flannery said he was counting on "the people of England getting disgusted with having their young men killed" and putting pressure on their Government to leave Ireland.

### Propaganda and Killing

"Now they have a propaganda victory, and they will use it to collect more money to kill more policemen," said Dr. Joe Hendron, a member of the Social Democratic and Labor Party, one of four nationalist parties on both sides of the border trying to work out a political solution.

His office sits behind wire mesh in one of the buildings that line Falls Road in West Belfast like broken teeth. "Americans who come here are two or three generations away from the terrible things" the British have done, he said. "It's correct, but it's history. I would say Britain would like to get out, but they would leave a million people and a bloody civil war." More than 200 of his patients "have died through violence," Dr. Hendron added. His party helped organize the New Ireland Forum, which this year noted that "The immediate outlook for the North is extremely

dangerous unless an acceptable political solution is achieved. The long-term damage to society worsens each day that passes without political progress."

An Irish Government official in Dublin castigated the Noraid tourists as "a busload of romantic Americans who haven't got a clue as to what's going on in Ireland." He added, "Noraid has had a wonderful success from their perverted point of view. But they are not going to be part of the solution; they're part of the problem. They're hostile to the popularly elected Irish Government. They don't understand the reality in Ireland."

A British official in London agreed. "They have a romantic and outdated view of Irish history," he said. "They come and make mischief every August. They always manage to get at least one of their number picked up on criminal charges. This year it was Brendan Judge of Gary, Indiana, who pleaded guilty to possession of a petrol bomb and wearing a mask. There was one picked up last year, Stephen Lich. He was from Indianapolis — what has the Midwest got against Northern Ireland? He was convicted and fined for riotous behavior."

"Noraid is a threat and a nuisance," said an official at the Northern Ireland Office in Stormont Castle, Belfast. "But it's also lethal. It contributes to the death of many people." He added, "To say they're on a fact-finding mission is sort of a sick joke. They have absolutely no interest in anything we have to say. In pubs in New York, many know that the money that goes in the cans is going for guns, and they're happy. I have heard cheers go up at reports a policeman has been killed in Northern Ireland."

## White Farmers Are Threatened by Drought and Dissidents

### Zimbabwe's Persistent Aristocracy

By ALAN COWELL

HARARE, Zimbabwe — Since independence from Britain in 1980, many whites have left this relatively prosperous nation, citing their abhorrence of black majority rule. But for those who have remained, some of them descendants of pioneers who trekked here in 1890 to raise the Union Jack, life has not visibly changed. The sun still shines on swanky suburbs. Clubs that bind the social fabric are still, largely, white preserves. Come evening, the ice clinks in tall glasses on the shaded verandas of comfortable homes.

Even as six thousand black politicians led by Prime Minister Robert Mugabe were resolving last weekend to turn the country into a one-party state, Marxist-Leninist in orientation, under the leadership of Mr. Mugabe's Zimbabwe African National Union-Patriotic Front, whites gathered in their clubrooms. On lawns as smooth as pool tables, white-clad matrons crisscrossed the greensward, lawn bowling. In the drowsy heat that brings the jacarandas to bloom, the plop and thwack resounded from private tennis courts.

Yet for some, there is a malaise, an uneasiness that the trappings of this white paradise may not last. Each month, official statistics chronicle emigration that has been running at 20,000 a year. Many of the departures are to lands such as South Africa and Britain, where recession offers few prospects or welcomes.

"I'm getting out," said a white man who operates an ice-cream franchise. "I can't stand all this Marxism." For all the Marxist language, however, the bar where he drinks has not changed clientele or style since independence. His business has not been nationalized. In South Africa, where he planned to set up a new opera-

tion, it will probably be much more competitive. The continuing white exodus presents an economic conundrum that is familiar in African countries. If tradesmen such as electricians and plumbers depart without passing on their skills, and none are trained to replace them, then expatriates must be hired. But the foreigners are accustomed to free housing and substantial foreign exchange remittances. In Zambia, according to calculations made recently by a Western diplomat, the second largest allocation of scarce hard currency goes to such remittances.

Zimbabwe's white population now stands at 100,000 or less out of a total of 10.5 million, still reckoned by economists to be above the point at which expatriates are needed in large numbers. But it is well down from the 280,000 peak of the mid-1970's, a time of war and isolation in a country then called Rhodesia, when the white minority was defiant in its defense of a privileged life in the sun. Those who have stayed include 4,300 white farmers, down from 5,100 at independence. But there has been no expropriation of land, according to John Laurie, president of the Commercial Farmers Union that represents the whites, and the farmers that are left are determined to make a go of it. The Government has increased the preplanting price offered for corn, the nation's staple, so the farmers, who he said produce 70 percent of marketed crops, feel that it at least is aware of their needs and fears.

Even so, Mr. Laurie said morale is low in some areas because three years of drought have left the farmers with a \$200 million debt. And in the southwestern province of Matabeleland, whole tracts of ranch land have been taken over by the Government because rebellious former guerrillas in the region, now known as dissidents, have frightened away white farmers. In 1977, accord-



Prime Minister Robert Mugabe

ing to Mike Wood, the Matabeleland chairman of the farmers union, there were 1,000 white ranchers in the province. Now there are 400, of whom 324 live on their spreads. "We know how to handle drought," he said, "but we don't know how to handle the security situation."

The Matabeleland farmers are armed with Government-issue rifles and keep in touch on a radio network designed during the bush war before independence. In private, they complain about the inefficiency of Government forces. "You can report dissidents on your ranch, and there's just no follow-up from Government troops," one said, requesting anonymity. "We want to be seen as neutral and just go on with our businesses. We have formed reaction units of our own, and we could react to attacks on white farmers. But we would far rather not. We don't want the dissidents to think we are part of the Government, because we are not."

The farmers employ 250,000 Zimbabweans. By Africa's demographic arithmetic, that means that about 1.5 million family members depend on the commercial farms for a place to live and income. Acknowledging the farmers' importance, Mr. Mugabe has appointed a white farmer, Dennis Norman, as Minister of Agriculture, and some whites retain positions in the army and other sectors.

Far from reflecting the nation's woes, the streets of Harare (formerly Salisbury) form an island of tranquility. But there is a difference. The whites do not seem to include as many young people as before. Many left feeling they had few prospects of advancement because of their skin color. "Our Achilles heel is white emigration," said former Prime Minister Ian D. Smith. "If it goes on like this, the white community will be a community of geriatrics."



Servants assisting James C. Van Vuuren, a white farmer in Zimbabwe, as he moved to the city earlier this year after being harassed by "dissidents."

Trevor Grundy



## Egypt Began Sweeping the Canal Last Week

## Suez Mines Are Yet Another Obstacle in Mubarak's Path

By JUDITH MILLER

CAIRO — The mysterious mines in Red Sea waters, which have damaged at least 18 ships since July 9, have forced Egyptian President Hosni Mubarak into a difficult position. He has publicly sought to downplay the danger to commercial shipping using the Suez Canal, one of Egypt's largest revenue earners. At the same time, he was privately persuading the Western powers that the threat to the strategic waterway warranted emergency assistance.

Pursuit of these conflicting objectives initially resulted in what a senior diplomat in Cairo called "schizophrenic diplomacy." Egypt's public pronouncements mixed wishful thinking, half-truths, false assertions and internal contradictions. Even as oil companies were confirming reports that ships had been damaged by underwater explosions in the Gulf of Suez and Red Sea, Egyptian officials were insisting that there were no mines and that commercial shipping was in no danger. Only under repeated prodding by the American Embassy did Egypt acknowledge the explosions and seek help from the United States and its allies in clearing the mines.

Last week, 40 days after the first damage was reported, Egypt got its diplomacy on track. It acknowledged the probable existence of mines in the waters south of the Suez Canal and pointed at Libya as its major suspect. Libya denied it had anything to do with the mining. No mines had yet been found. Egypt hoped that recovering one would provide evidence of its point of origin.

By sweeping the Suez Canal with its own minesweepers and intensifying inspections of "suspect" ships entering the waterway, Egypt has been able to declare with credibility that the canal itself is mine-free. But last week, another vessel, the Cypriot ship Theopolis, was damaged by an underwater explosion in the Red Sea. And finally last week, the invited sophisticated naval

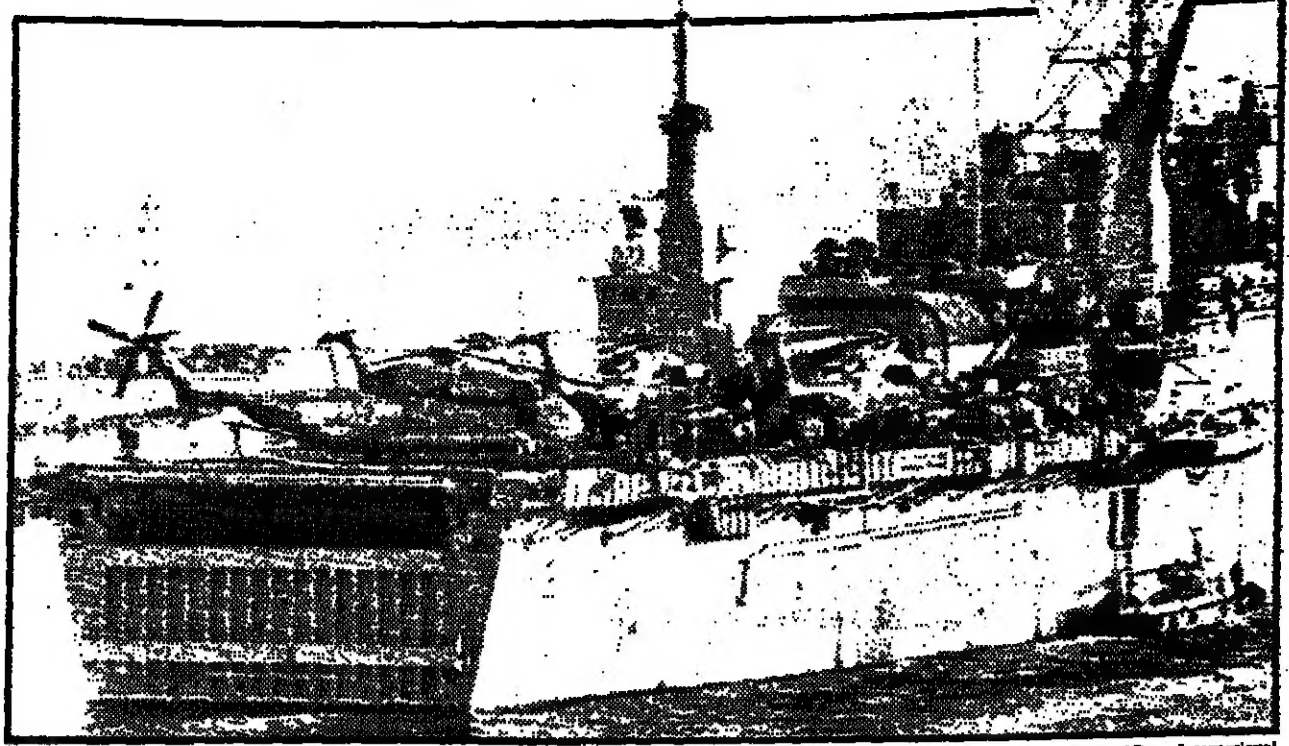
units from the United States, Britain and France began searching the approaches to the canal.

While he was maneuvering to safeguard Egypt's vital interest in canal revenue, Mr. Mubarak was also steering a tricky course through the shoals of Arab politics. Egypt has supported Iraq in its protracted war with Iran, but recently it has offered its good offices to help end the 45-month-old conflict. At first, Egyptian officials said they suspected both Iran and its ally Libya of planting the mines — to disrupt Egypt's economy and to upset Iraqi and Western oil shipments. Then the Iranian leader, Ayatollah Ruhollah Khomeini, denied responsibility in a radio speech. Such acts of treachery, he said, were contrary to the laws of Islam.

Egyptian officials have not said whether they found the Ayatollah's denial persuasive, but Mr. Mubarak backed away from his accusation. He said he "hoped" Iran was not involved. In Teheran, however, the Speaker of Parliament, Hojatollah Hashemi Rafsanjani, threatened to retaliate against Egyptian shipping. "If one of our ships is delayed in the Suez Canal on the pretext of searching it," he said, "and our needed goods are delayed, one ship belonging to your gang will be delayed in the Strait of Hormuz," which connects with the Persian Gulf.

Politically shunned by much of the Arab world since the peace accord with Israel in 1979, Egypt under President Mubarak has placed a high priority on trying to restore its position at the center of Arab diplomacy. To do so, it must avoid the perception of dependency on the United States, even though Washington is providing Egypt with \$2.3 billion in aid this year.

While publicly avowing his friendship with America, Mr. Mubarak pressed hard to ensure that French, British and Italian forces also joined the mine-clearing operation. Egypt and its Western supporters have repeatedly stressed that the mine hunt is not an open-ended exercise. Iran and Libya have contended that the United



The U.S. ship Shreveport with minesweeping helicopters at Port Said, Egypt, on its way to the Red Sea last week.

States, Egypt and Israel are using the crisis to justify a Western naval buildup in the strategic waters. "We're not going to be here forever," said the commander of one of the four British ships that will hunt explosives in the northern sector of the Gulf of Suez. Britain and France have exhibited their own political sensitivities. Both Governments emphasized that their ships would be under national command and not part of a multinational force similar to the one that failed in Beirut.

President Mubarak's advisers also say he does not want the mine-hunting operation to become an East-West issue. Diplomats said it was no accident that Foreign Ministry sources last week disclosed that Egypt's first Ambassador to the Soviet Union in three years, Salah Basyouni, would arrive in Moscow on Aug. 30. The Soviet

Ambassador-designate, Alexander Belonogov, is scheduled to arrive in Cairo in early September.

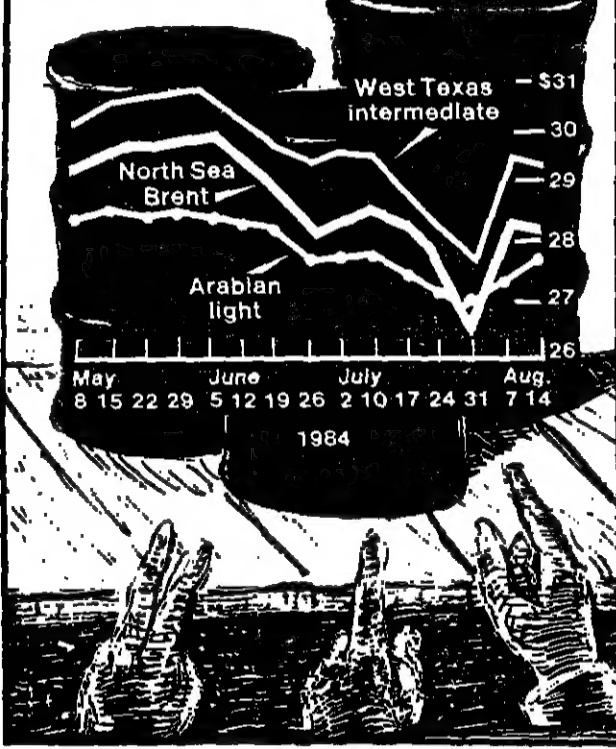
For their part, Soviet officials have made it known that at least one Soviet minesweeper has been hunting for explosives at the southern end of the Red Sea, diplomats said. This has caused little stir.

It seemed natural that the Russians would join in the search since a Soviet tanker was the first to be damaged in the explosions, on July 9. Moreover, Moscow's allies South Yemen and Ethiopia border on the Red Sea and are known to be concerned about the danger in their territorial waters. The presence of the Russian minesweeper, like the American and West European units, can be justified, Egypt says, in the name of maintaining free international navigation.

## Tax Revenues and the Banking System Might Be Jeopardized Should the OPEC Level Fall

## The fluctuating price of oil

Spot market prices of the three most widely watched crude oils, in dollars per barrel. Recently, up to 45 percent of all oil purchased has been bought on the spot market.



Source: Oil Buyers' Guide International

## This Time, an Oil Price Cut Could Hurt

By STUART DIAMOND

When the Organization of Petroleum Exporting Countries cut its official oil price last year from \$34 a barrel to \$29, American consumers benefited. So did airlines, oil importers and energy-intensive industries such as steel and chemicals. It was widely believed that the winners outstripped losers, which included oil-producing countries and companies. The world began to emerge from a recession and in many countries inflation slowed. Now, however, many experts believe that sharp price cuts could hurt more than help.

Oil prices already have dropped, in inflation-adjusted terms, so many of the benefits have already occurred. OPEC has found powerful support in Britain and the United States, where big banks fear heavy losses if prices tumble. On the spot market for oil not sold under contract, prices have begun to firm. At \$28.50 a barrel, North Sea oil last week was up \$2 since July 30. "Tremendous pressure is being brought to bear to maintain oil prices," said Eugene L. Nowak, a senior vice president at Dean Witter Reynolds, the investment broker. Such pressures underlie the recent oil price seesaw, reflecting major changes in alliances and practices that have dominated the industry for a decade. Inside OPEC, warring Iran and Iraq, and other countries such as Nigeria and Venezuela that have overspent heavily, need cash. They threaten the cartel's ability to enforce supply quotas and price levels championed by richer members, notably Saudi Arabia and Kuwait. New export refinery capacity

and official prices that favor exporters of some types of oil add to the tensions.

Saudi Arabia has established an enormous reserve on ships outside the Persian Gulf. Recently it sold some of this oil, which changed prices. Kuwait may establish similar stocks. "A fundamental and permanent change has overtaken the market," said Dr. Philip K. Verleger Jr., an oil economist at Drexel Burnham Lambert, another investment broker. The changes began to appear in the spring. Amid attacks on tankers in the Persian Gulf (yesterday, in the latest incident, a Panamanian tanker was damaged) prices jumped but settled back when the Saudis reportedly released oil from their floating stockpile. Cheating on quotas by cash-hungry OPEC members helped push prices down this summer. Then in July, the Saudis decided to sell extra oil to pay for 10 Boeing jumbo jets. Spot oil prices fell sharply and a general slide appeared likely. But four American oil companies — Mobil, Exxon, Texaco and Chevron — cut their imports from Saudi Arabia, tightening supplies, oil experts said.

## Concern About Mexico

American banks warned that falling prices could prevent or slow loan repayments by poorer oil-producing countries. Of \$26 billion in bank loans to OPEC members, Venezuela accounts for \$11.3 billion. And Mexico, an oil producer but not an OPEC member, owes \$26.5 billion (more than any other country) to American banks. It would be hurt greatly by a drop in prices. Furthermore, it is a harsh reality that oil producers would get preference on new loans over many third world oil importers,

banking sources say. "Oil exporters have collateral behind the debt," observed David A. Wyss, an economist at Data Resources Inc. The plight of Brazil, with \$90 billion of debt, has often been cited as an argument for price cuts. But Brazil has managed to reduce its dependence on imported oil. Helped by declining prices, its own oil wells and conservation, Brazil's projected oil imports dropped. It is paying loan interest more easily.

As for Britain, in July the Government urged big customers of the British National Oil Company not to press for price cuts, which could have hurt the British economy. Severely hurt by OPEC's 1973 price increase and embargo, Britain has since developed its own strong oil industry. British Petroleum Company and Royal Dutch Shell this month shut down some North Sea wells — for maintenance, they said — further tightening supplies.

Washington, while not overtly supporting OPEC, is not fighting it either, analysts said. Lower prices would cut billions of dollars of windfall profits taxes. Cheaper oil would undercut coal. Development of wood, solar energy and synthetic fuels would suffer, as would programs for conservation and to produce domestic oil using new technology. Lower oil prices would lead to greater long-term dependence on imported oil and thus risk a future price shock. They also fear this would weaken Saudi Arabia, further destabilizing the Middle East. One pricing solution, an oil import tax, has been defeated in Congress. "The American consumer has already gotten a pretty good price," Dean Witter's Mr. Nowak said. "A further reduction might be nice in the short term, but in the long term it just may not be in our interest."

## Demonstrations Are Expected to Mark This Week's Anniversary of the Aquino Assassination

## Poverty and Politics in the Shantytowns of the Philippines

By STEVE LOHR

MANILA — Rocita Curada and her three children live in what amounts to an urban cave about three feet high, four feet wide and eight feet long. To call it a room is to exaggerate. Not even Mrs. Curada's youngest child, seven-year-old Reynaldo, can stand upright in it. To enter, you must crawl. The principal amenity is a tiny kerosene burner whose flame provides what little light there is inside. The cubicle, fashioned of pieces of plywood and home to Mrs. Curada's family for six years, is in one of the clusters of poverty in Manila's Malate district, a neighborhood of one-room, jerry-built structures of wood and corrugated steel that often house three generations.

As inflation and unemployment have surged in the past year, the legions of Philippine poor have suffered. Reacting to the worsening conditions, more and more have become politically active, encouraged by some members of the Roman Catholic clergy. Mrs. Curada and many neighbors have participated in several of the anti-Government demonstrations that may be but a prelude to the crescendo expected on Tuesday, the first anniversary of the assassination of the opposition leader Benigno S. Aquino Jr.

Reliable statistics on the suffering among the poor are hard to come by. Estimates of the undernourished, for instance, range from 30 to 50 percent of the population, but survey methods vary. By December, however, hunger had become so prevalent that Jaime Cardinal Sin, Archbishop of Manila, asked the United States for help. The response was a six-month, \$8 million effort under the United States Agency for International Development's Food for Peace program that will buy 20,000 metric tons of rice in the drive to feed 458,000 people.

With inflation running at 50 percent and currency devaluations of 40 percent in the past year, the price of rice, vegetables, fish, beef and pork have about doubled. Meanwhile, in Mrs. Curada's neighborhood, there are fewer jobs and wages have not gone up. Most of the men are casual laborers working as needed on scarce construction jobs, driving cabs or selling cigarettes singly or a few at a time on street corners. Daily wages for laborers are about \$2. Women have become the ricewinners in many families, earning between \$1.40 and \$2 a day doing the washing in the homes of the rich.

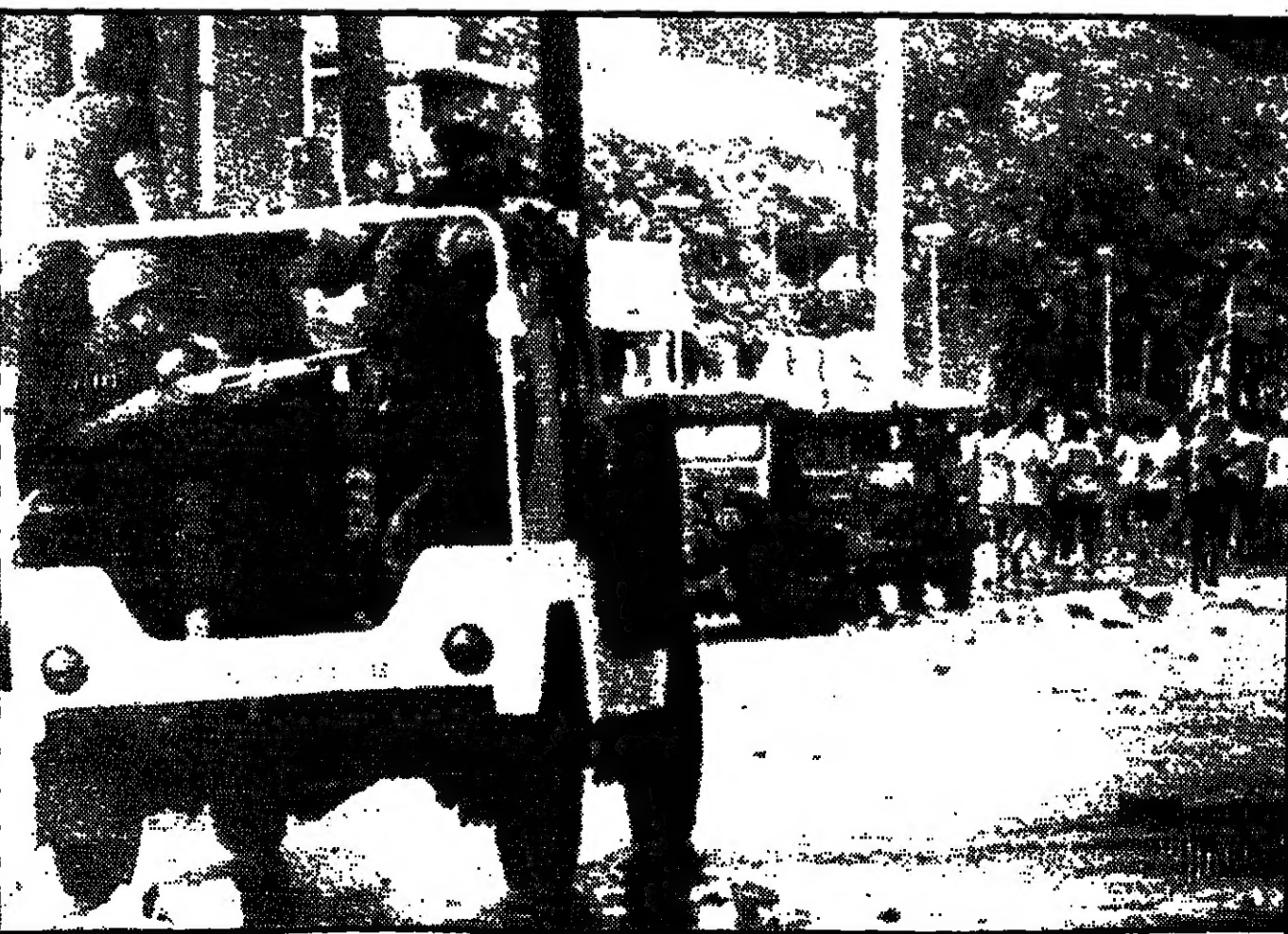
This is how Mrs. Curada, a 35-year-old widow, tries to provide for her family, but with the higher prices her earnings fall well short of their needs. In the morning, the Curadas eat rice plain or mixed with vegetables. Lunch is rare. Dinner is rice with a reddish fish paste — the family reserve of the paste is kept on a small plate in

the corner and looks and smells like cat food — although lately even this has sometimes been beyond their means.

Helen Bernal, wife of a garbage collector earning \$39 a month, is somewhat better off. Her family of six lives in one room, about six feet by seven feet. Usually they eat two meals a day. Last year, they could sometimes afford a little beef or pork, but no longer. Her four children, skinny and barefoot, never drink milk because of the expense. "We eat as much as the money allows," she said, "but my children are malnourished."

The political activism of the poor is a recent phenomenon, and the church is largely behind it. Eighty-five percent of the country's 52 million people are Roman Catholic. Priests and nuns in some parishes are engaged in "liberation theology." In discussions with poor parishioners in Malate, Sister Vincent Borromeo describes her objective as linking local problems with "the word of the church, and integrating problems with the world situation." She and others insist the church is not taking a political stand, but the view they are serving up seems

unarguably leftist. American imperialism, multinational corporations and Western banks, in their opinion, are key causes of the country's economic problems, and President Ferdinand E. Marcos is guilty of essentially selling the Philippines out to foreign interests. "In the streets," Sister Vincent says, "we are demonstrating for democracy and sovereignty, and against the U.S.-Marcos dictatorship." The same opinions, rendered in the same codephrases, are heard increasingly in impoverished households elsewhere in the Philippines these days.



Police chasing demonstrators in Manila after a rally last week.

## The islands' population is climbing

Population, in millions



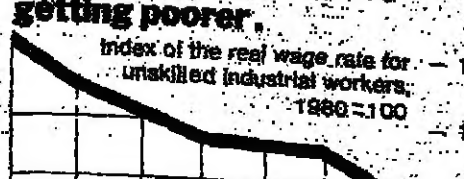
## ... productivity is falling ...

Gross national product per capita, in 1980 dollars



## ... and the workers are getting poorer

Index of the real wage rate for unskilled industrial workers, 1980=100



Source: Wharton Econometrics

projection

1550



# The Age of 'Me-First' Management

By ANN CRITTENDEN

"Look at the economy as a great stew. And look at those hostile takeover-related activities, and all this related money-making with no risk by the Jay Gould types which are increasingly predominant in the capital scene, and look at them as salt. In the old days we had a minor amount of salt in the stew; and all of a sudden, somebody's pouring a hell of a lot more salt in the stew."

Charles T. Munger, vice chairman, Berkshire Hathaway Inc., Omaha, in testimony May 23 before a Congressional subcommittee looking into corporate takeovers.

It doesn't take a revolutionary to figure out that something is amiss in American business today; that a "me-first, grab-what-you-can" extravagance increasingly appears to be cropping up among the nation's top executives. It shows itself in the disproportionate salaries and bonuses paid to so many corporate chiefs; in the unseemly scrambling over the assets of great corporations; in the multimillion-dollar severance payments awarded even to C.E.O.'s who fail and drive their companies into the ground.

"We are seeing a failure of corporate stewardship; a breakdown in management's accountability to shareholders," Commissioner James C. Treadway Jr. of the Securities and Exchange Commission declared in a speech earlier this year. Mr. Treadway referred specifically to "cute accounting" — to manipulation of the kind that prompted the S.E.C. just last week to accuse the Stauffer Chemical Company, a major in its industry, of fraudulently overstating 1982 earnings to hide weak sales of agricultural chemicals.

Commissioner Treadway's concern is the damage to shareholders from that sort of misleading information. But there is a widespread perception that it is not just shareholders who are being let down by a deterioration in ethical behavior in business and on Wall Street, but corporations themselves, the economy, and even the public at large — in the sense that a society needs to feel there is some fairness in the business system and some sense of stewardship in its leaders.

"We are in a period of real regression," says Prof. Edward Herman of the Wharton School, although he and others acknowledge that business practices today are at a higher ethical level than they were in the 1930s. Robert Baron says at the turn of the century.

Even so renowned a business leader as Charles L. Brown, chairman of the American Telephone and Telegraph Company, acknowledges that the nation's corporate executives are suffering from a reputation of being too greedy and too concerned about their own rewards. But he said the reputation is unjustified and he blamed the dramatic takeover battles of recent years for giving rise to it.

"I don't see a lot of loose cannons around in corporate leadership," Mr. Brown said. "What is new is the greater use of various techniques to take over a company against management's will," so it is understandable that executives have taken steps to protect themselves.

That isn't the public belief. An annual Louis Harris poll that measures public confidence in corporate executives showed that only 18 percent of those surveyed last year placed "great confidence" in American executives — down from 29 percent in 1973 and 35 percent in the mid-1960's. Another poll, by the Opinion Research Corporation, found that only 29 percent of Americans in 1983 rated corporate executives "excellent or good" in ethical practices. That was down from 33 percent in 1981 and 36 percent in 1975.

Two things that seem to bother people the most, and that have come to symbolize the current sense of excess, are "golden parachutes" and "greenmail" — both children of the recent takeover phenomenon. The first is a huge payment made to an executive after his departure from a company. As distinct from a pension upon retirement, the increasingly frequent parachutes have often been arranged in the heat of takeover battles to guarantee corporate heads who may later fall out of their jobs a soft and cushy landing. Sometimes golden parachutes appear to be rewards for failure, which is not what the capitalist system is supposed to be about.

Another sort of pay-on-the-back-for stumbling went to Roger E. Anderson, who was chairman of the Continental Illinois Corporation in Chicago during the years of wild lending that resulted in Continental's failure and the Federal takeover this summer. By then, Mr. Anderson was five months into comfortable retirement, having left the bank under a cloud in February, but with a hefty six-figure annual pension intact, plus cash payments worth \$280,000, and his club dues taken care of for a year.

The most cited recent case of greenmail — rewarding a raider to leave a company alone by buying his stock at a premium price — occurred this spring and summer, as Walt Disney Productions fought to escape a takeover by Saul Steinberg's Ralston Group Holdings Inc. Disney first diluted its own stock by agreeing to acquire a real estate development company and a greeting card company for \$325 million in newly issued shares. When those tactics failed, Disney's management succumbed to

Mr. Steinberg and paid the financier \$325.5 million for his 11 percent stake in the company. Ordinary shareholders were not included in the deal, and within a week of the buyback their stock had declined by 31 percent, to well below what Mr. Steinberg had been paid.

Not surprisingly, management is now faced with several shareholder suits — and also a new takeover threat. This time it's from Irwin Jacobs, like Mr. Steinberg a financier who frequently buys large stakes in corporations. Whether Mr. Jacobs will try for a quick greenmail profit is anyone's guess, although Disney officials insist they won't pay off this time.

"GREENMAIL is wrong," said Arjay Miller, who has been president of Ford Motor, head of Cummins Engine and dean of Stanford University's Graduate School of Business, and now is a director of nine corporations. "It isn't often I think there ought to be a law, but there ought to be a law against this."

A. Bartlett Giamatti, president of Yale University, considers the deterioration in corporate stewardship part of a larger phenomenon — the "disenchantment with the idea of institutional loyalty."

"Institutions, corporate or otherwise, are the means for translating private impulse to the public good," Mr. Giamatti said. "If people begin to become disenchanted with the idea of the viability of institutions, then the public good gets lost and the impulse to private gain has nothing to connect itself to except itself."

That's a view somewhat shared by writer Mark Green, Mr. Green, a former Ralph Nader associate whose next book, with co-author John Berry, will take a look at management waste and bureaucracy, believes that "the

products, succeed, and make a hundred million bucks. However, these types are rare in all endeavors — business, politics, education — and the shift has removed the covers from more unsavory types of people."

James Tobin, Nobel Prize-winning professor of economics at Yale, puts it more strongly. "The undiluted pursuit of personal gain is more accelerated in society, as a result of the conservative ideological revolution," he said. "It affects the way businessmen and everybody else looks at what they're doing."

Examples of the stampede of self-interest have become the bread and butter of the daily press:

• A handful of top auto executives receive from their boards of directors bonuses of more than \$50 million. That raises eyebrows and angry comments because the executives, citing weak car sales, had won \$4 billion in wage concessions from Ford and General Motors workers, had laid off thousands of other employees, and had won protectionism from Japanese imports that cost consumers millions of dollars in higher auto prices. When a reporter asked Bertsey Caldwell, the wife of Ford chairman Philip Caldwell, whether he deserved a bonus of \$7 million, she said, "How can I answer that without sounding like Marie Antoinette?"

• Less than four months before the Charter Company filed for bankruptcy in April, its top five officers voted themselves special incentive bonuses of \$250,000 each. And one month before the company, an oil and insurance conglomerate with \$5.6 billion in annual revenues, slid into the abyss, its accounting firm, Peat Marwick, gave it a clean bill of health, certifying that Charter had a book value of \$28 a share. In the annual report, the chairman, Raymond K. Mason, assured shareholders that the company's "financial condition con-

greenmail. A bill sponsored by Representative Timothy E. Wirth would further restrict both tactics. It has passed the House, but the Senate thus far has taken no action.

Irving Shapiro, former head of the Du Pont Corporation and a principal spokesman for business in the 1970's, believes that some of the multimillion-dollar salaries now being paid represent "an inherent failure in the system."

Even the Heritage Foundation, an ultra-conservative think tank based in Washington, put out a statement questioning the auto executives' timing in crying for more protection at the expense of consumers while receiving big bonuses. "They have a perfect right to do it, but it was unseemly," said a spokesman.

One of the conservative worries is that a reaction against the current *modus operandi* could turn into a backlash against business in general. Felix G. Rohatyn, who himself engineered some of the most aggressive mergers of the 1960's as a partner in Lazard Frères, argues that today's hostile takeover tactics are "by every measurement wider than in the 60's — business is killing the goose that laid the golden egg. If we don't put some curbs on this we're going to see a tremendous backlash."

"These mergers are destructive to the American business fabric," argues Bernard Rapoport, chairman of the American Income Life Insurance Company in Waco, Tex. "They take money away from productive use and help drive up interest rates without creating one new job."

THE debate over corporate behavior generally holds that the deterioration goes back only a few years. A threshold of excess was passed when two giant corporations, Bendix and Martin Marietta, got into a takeover battle in 1982 and

# The Economy

## WEEK IN BUSINESS

The high-risk lending practices of Charles W. Knapp, chairman of the Financial Corporation of America, haunted the nation's largest thrift institution last week. Rumors circulated that its main bank, American Savings and Loan, had a net outflow of funds in July. On Wednesday, that was confirmed, as the thrift reported a \$582 million loss of funds, primarily from \$1.4 billion in institutional withdrawals. Moreover, Financial reported a \$107.5 million loss for the quarter ended June 30, the result of changing its accounting procedures at the insistence of the S.E.C. It was thought to be the largest quarterly loss ever reported by a thrift, and it cut the bank's net worth to 2.3 percent of its assets, well below its required 4 percent minimum. As fears mounted that the U.S. had another major banking crisis on its hands, trading in the thrift's certificates of deposit almost stopped, adding to its liquidity problems. Analysts said the next few days could be critical.

The G.M. Challenge. The New York Stock Exchange decided not to resist General Motors in its desire to trade a special class of stock linked with its \$2.5 billion purchase of Electronic Data Systems. Despite Big Board rules that prohibit trading two classes of stock, it agreed to list G.M. Class E stock that E.D.S. shareholders will receive. The stock has one-half the voting rights of G.M. common.

Waste Management and Genstar joined forces and offered \$423.2 million, or \$28.50 a share, for SCA Services Inc., the No. 3 waste disposal company. Waste Management, which will finance 60 percent of the deal, will sell Genstar any properties necessary to avoid antitrust problems with the Justice Department.

More Slowdown. Government statistics continued to indicate that the economy has begun to cool off. Retail sales fell nine-tenths of one percent in July, the first drop in four months. New car sales in the first August period fell eight-tenths of one percent from the previous year's figures, the first industry-wide decline this year. And housing starts, depressed by high mortgage rates, fell 6.6 percent in July to a 1.761 million unit annual average. Industrial production rose nine-tenths of a percent in July, but economists did not see that as a sign of resurgent economic activity.

The stock market turned flat and quiet last week, compared with the record-breaking pace of the week before. Interest rate fears and profit taking pushed the Dow down 6.11 points, to close at 1,211.90. The only active day was Wednesday when a rally in the bond market pushed the Dow up 10.16 points. Yet bond prices rose only slightly during the week; the Government's long bond closed with a yield of 12.45 percent, down from 12.55 percent. A \$5.2 billion jump in the money supply did not trouble traders very much.

The Treasury will offer special securities to foreigners who may be drawn to the U.S. market now that the 30 percent interest withholding has been lifted. The securities will carry no buyer identification and will not be available to American investors.

| The New York Stock Exchange |            |      |         |  |
|-----------------------------|------------|------|---------|--|
| MOST ACTIVE STOCKS          |            |      |         |  |
| WEEK ENDED AUGUST 17, 1984  |            |      |         |  |
| Company                     | Sales      | Last | Net Chg |  |
| Fin Cp A                    | 11,404,100 | 4%   | - 4%    |  |
| AT&T                        | 6,503,800  | 18%  | - 7%    |  |
| SCA                         | 5,615,500  | 27%  | + 6%    |  |
| Amp Exp                     | 5,444,300  | 31%  | - 1%    |  |
| IBM                         | 5,053,300  | 12%  | + 2     |  |
| Exxon                       | 4,171,900  | 41%  | + 4     |  |
| ITT Cp                      | 4,123,100  | 26%  | + 1%    |  |
| Mer Lyn                     | 4,102,600  | 31%  | + 1%    |  |
| Hewl Pk                     | 4,075,000  | 40%  | - 2%    |  |
| Avco Cp                     | 4,013,200  | 35%  | + 4%    |  |
| STO Oh                      | 3,530,400  | 45%  | - 1%    |  |
| N Semi                      | 3,414,900  | 15%  | - 1%    |  |
| AMR                         | 3,330,600  | 27%  | - 1%    |  |
| G Mot                       | 3,268,000  | 74%  | - 1%    |  |
| Ford M                      | 3,224,600  | 44%  | - 1%    |  |

| Standard & Poor's |       |       |       |       |
|-------------------|-------|-------|-------|-------|
| 40 Indust         | 188.8 | 185.0 | 185.5 | +0.25 |
| 20 Transp         | 140.6 | 136.8 | 138.4 | +0.72 |
| 40 Util           | 68.2  | 67.4  | 68.0  | +0.29 |
| 40 Financial      | 16.9  | 16.3  | 16.6  | +0.17 |
| 500 Stocks        | 166.0 | 162.7 | 164.1 | +1.37 |

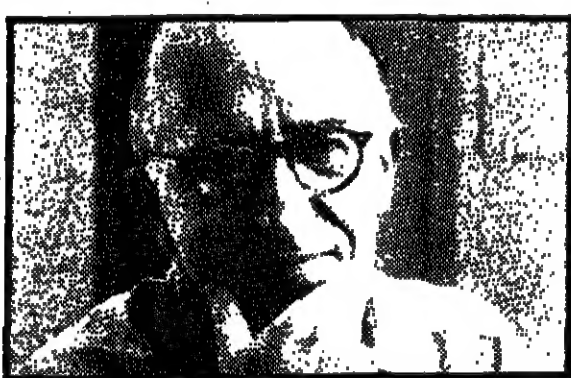
| Dow Jones |        |        |        |       |
|-----------|--------|--------|--------|-------|
| 30 Indust | 1230.4 | 1195.5 | 1211.9 | -8.19 |
| 20 Transp | 525.8  | 509.5  | 514.7  | -4.83 |
| 15 Util   | 129.2  | 127.0  | 128.6  | +0.32 |
| 65 Comb   | 478.5  | 464.0  | 469.3  | +2.44 |

| The American Stock Exchange |           |      |         |  |
|-----------------------------|-----------|------|---------|--|
| MOST ACTIVE STOCKS          |           |      |         |  |
| WEEK ENDED AUGUST 17, 1984  |           |      |         |  |
| Company                     | Sales     | Last | Net Chg |  |
| Wang                        | 2,597,400 | 27   | - 2%    |  |
| WDGht                       | 1,064,300 | 10%  | + 2%    |  |
| TIE                         | 1,018,000 | 12%  | - 1%    |  |
| IntBkrt                     | 1,008,600 | 3%   | - 1%    |  |
| Verbm                       | 990,800   | 7%   | - 2%    |  |
| IntSy                       | 895,900   | 2%   | + 4%    |  |
| Amdahl                      | 722,400   | 12   | + 4%    |  |
| GalaxyO                     | 680,700   | 3    | + 4%    |  |
| AMol                        | 660,500   | 19%  | + 4%    |  |
| AtlasVan                    | 610,900   | 17%  | + 4%    |  |

| MARKET DIARY |          |              |           |          |
|--------------|----------|--------------|-----------|----------|
| Advances     | Declines | Total Issues | New Highs | New Lows |
| 374          | 402      | 912          | 43        | 34       |
| 496          | 308      | 913          | 55        | 40       |

| WEEK'S MARKET AVERAGES  |       |       |         |       |
|-------------------------|-------|-------|---------|-------|
| High                    | Low   | Last  | Net Chg |       |
| New York Stock Exchange |       |       |         |       |
| Indust                  | 112.0 | 110.3 | 111.1   | +0.15 |
| Transp                  | 87.4  | 86.0  | 86.7    | +0.20 |
| Util                    | 46.5  | 46.0  | 46.4    | +0.17 |
| Finance                 | 88.8  | 87.1  | 88.0    | +0.49 |
| Composite               | 95.3  | 93.7  | 94.4    | +0.19 |

## THE PROFESSOR



Edward Herman, the Wharton School of Finance.

My interpretation of the last 15 years is that the whole corporation community is in revolt. There are a lot of new rich. We've seen the rise of Saul Steinberg, the oil barons and the new California guys around Reagan. They don't have the old Establishment view of the government as something they work through, and with, and that has a legitimate role.

"They have a simpler ideology, based on a de-

sire to dismantle the welfare state. And many of the older companies are going along, because after the pressures of the 1970's they are unhappy with the welfare state, too.

"They've even got a system of rationalizations to support their ideas, in monetarism. I see the Chicago School as a market phenomenon. Business wants their ideas; about deregulation, cutting the size of government, controlling the money supply, etc. so it has funded the Chicago theorists on a massive scale.

"The market determines everything, including economic ideas. So we've got theories to justify the practice, and government is in the hands of people who don't believe in government. Periodically, I think business sort of seizes control of government, whenever it is fitful."

"So what happens, we get abusive. When this happened in the late 20's, the same sort of turbulent abuse produced muckrakers and reformers, and when it all collapsed, the best elements in business joined up with the reformers and change was institutionalized in law. The rules of the game were improved. I don't think anything like that can happen now, though, until we have a huge blow-up."

mushrooming instances of greenmail, insider trading investigations, and unwarranted pay and perks all trace to the same origin — a bottom line stressing not profits and performance but rewards for managers — a prevailing business ethic seems to be what's in it for me."

Executives may be particularly tempted to use their power to put their own interests first because of a deep uncertainty about what the future holds in the way of recession, inflation, damaging interest rates or a falling stock price, which can quickly make a company a relatively inexpensive takeover target. "You'd be amazed at the insecurity at high levels — it's not even a stigma to be fired any more," said Carl Menk, a top executive recruiter now with Canny, Bowen in New York.

That threat of hostile takeovers appears to be especially troubling. Michael Klein, a prominent securities lawyer with Wilmer, Cutler & Pickering in Washington, told a Congressional subcommittee recently that his experience as the father of an 11-month-old and the brother of a psychiatrist "tell me that if you threaten to take away something from someone else that is the source of his power, of his prestige, and indeed, of his economic welfare, even the most rational and reasonable person is likely to strike out and behave in a rather untoward manner."

BUT perversely, the glamour, the excitement, the rewards of business all seem to be in the financial wheelings and dealings of takeovers. "Everyone wants to be Bruce Wasserstein and do deals," says a Manhattan stock speculator, referring to the managing director of mergers and acquisitions at the First Boston Corporation, a fast-moving 36-year-old who enjoys a seven-figure income and a multimillion-dollar estate in East Hampton.

There are other theories as to why some of the traditional constraints on corporate behavior appear to be unraveling. The first usually mentioned is the avowed intention of the Reagan Administration to dismantle what it considers to be excessive regulation.

"There is no question that the country has been moving to the right starting back in the 1970's," said Alan Greenspan, an economic consultant who was chairman of President Ford's Council of Economic Advisers. "What we are seeing is a loosening up of entrepreneurship. In its most ethical form, the individual is given freedom to act, invest in new

things to be strong." But a few weeks later Charter's shares, once worth \$50, had shrunk to \$3.125 a share. Peat Marwick, one of the nation's most prestigious accounting firms, insists that its Charter audit conformed with accepted accounting rules. But that audit did not reveal the lack of cash flow that put Charter under.

When the American Law Institute, a group of distinguished Establishment lawyers, decided to look into corporate governance, in order to toughen the law relating to the administration of large corporations, some members of the Business Roundtable, including Andrew Sigler, chief executive of Champion International and chairman of the Roundtable's Committee of Corporate Governance, took it as a major threat to capitalism and tried to derail the project. Among other things, lawyers from several companies in the Roundtable called some major law firms and threatened to take their companies' business elsewhere unless the A.L.I. reined in its corporate governance project. The campaign has not succeeded, but the institute is considering scaling back the most controversial portion of the project, relating to mergers and acquisitions.

ALL of the behavior in these incidents was perfectly legal, but the incidents themselves seem to hint that business plays by a different set of rules from everyone else. "If politicians were doing these things, we'd say, 'they're all a bunch of crooks,' but we somehow expect businessmen to be only out for No. 1," said Samuel Bowles, professor of economic history at the University of Massachusetts in Amherst.

An increasing number of businessmen themselves feel, however, that it is time that some clear limits be defined. Michael Blumenthal, chairman of the Burroughs Corporation and former Secretary of the Treasury, is one of those calling for more Government regulation of corporate merger activity. He said Federal regulators should consider placing an upper limit on golden parachute payments — for example, two years of an executive's current salary. "Here you have an issue of inadequate legislation and rules," Mr. Blumenthal said. "If that were corrected, there would be no golden parachutes."

The new tax bill does make greenmail and golden parachutes more difficult and costly, and the Securities and Exchange Commission has recommended an outright ban on

each tried to acquire the other. A standoff developed and Edward L. Hennessy Jr., chairman of the Allied Corporation, stepped in to swallow Bendix. Martin Marietta kept its independence, but piled up huge debts to pay for the Bendix stock it had bought. William M. Agee, the Bendix chairman who had started it all, collected a \$4 million golden parachute — an agreement he had negotiated in the midst of the battle.

Despite the outcry that this sort of takeover activity serves no socially useful purpose and mainly reflects the ambitions of the executives involved, some businessmen and academics hold that on balance, business today is more ethical than it was in earlier periods of American history.

"There has been an improvement in corporate ethics over a hundred-year time span, vis-a-vis things like insider trading, financial abuses by management, etcetera," said Professor Herman of the Wharton School. Compared with some of the shenanigans in the Gilded Age after the Civil War, when financial manipulators like Jay Gould bought up companies, stripped them of their assets and sold them to unsuspecting investors at huge premiums, most of today's businessmen are models of propriety.

NEVERTHELESS, when it comes to feathering one's own nest, businessmen today are clearly leaving the impression that they can get away with a great deal.

The economic power of top management of corporations still seems as great as it was in 1932, when Adolf Berle Jr. and Gardiner Means, in their classic work, "The Modern Corporation and Private Property," wrote that "there is no longer any certainty that a corporation will in fact be run primarily in the interest of shareholders."

Corporate boards are for the most part acquiescent to management, and the courts have consistently refused to recognize shareholder rights in suits challenging the business judgment of top executives.

And in a recent speech, Mr. Tobin confessed "to an uneasy suspicion, perhaps unbecoming in an academic, that we're throwing more and more of our resources, including the cream of our youth, into financial activities remote from the production of goods and services, into activities that generate high private rewards disproportionate to their social productivity."



Charles W. Knapp

Popcorn. I.B.M. introduced its long-awaited powerful personal computer, dubbed Popcorn by the trade. And the machine impressed Big Blue detractors and supporters alike with its computing, multi-task and multi-user capabilities. The new PC AT (AT stands for advanced technology) ranges in price from \$4,000 to \$6,000, has expandable internal memory of up to 3 megabytes, a disk drive of 1.2 megabytes and a hard disk with 20 megabytes of storage. Moreover, the PC AT can run two additional P.C.'s and display almost unlimited functions on its screen.

Exaggeration. The S.E.C. accused Stauffer Chemical of overstating its 1982 and 1983 earnings by \$31.1 million, using unacceptable accounting practices. It was one of the largest fraud claims against a corporation by the agency. Stauffer said its accounting methods had been sanctioned by its auditors, Deloitte Haskins & Sells. While Stauffer did not admit or deny the charges, it agreed to restate its profits and not engage in such activities in the future.

Stepping Up. Sears named Edward A. Brennan as president and chief operating officer of the huge retailing and financial services company. The appointment marked the 50-year-old executive as the likely successor to chairman Edward R. Telling, who will retire next year.

Stepping Down. John C. Whitehead, who has shared the top spot at Goldman Sachs for eight years, will retire on Nov. 30, leaving John L. Weinberg sole chairman of the Wall Street firm.

Taxes stayed at center stage early in the week as Republicans sought to finish work on the G.O.P. platform in Dallas. The White House sought language that would not lock President Reagan into an absolute commitment against any tax hike. But the final wording was stronger than the administration had wanted, with a pledge to "oppose any attempt to increase taxes." Yet, it was wording the Administration can "live with" according to Drew Lewis, Mr. Reagan's representative.

But the White House hopes the shrinking deficit will make any tax increase unnecessary. The Office of Management and Budget projected a \$172.4 billion shortfall for the 1985 fiscal year and much lower deficits in later years. Both projections were rosier than those released last week by the impartial Congressional Budget Office.

Nathaniel C. Nash



# The New York Times

Founded in 1851

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## The Unrepublicans

Amid the heat and hats and pride in President Reagan, the delegates are gathering in Dallas, 2,235 solid citizens from every state. Solid, yet there's something peculiar about them.

As they assemble in the convention hall, look over to the small District of Columbia delegation. Only 14 delegates. But then you'd expect that. Only about 30,000 Republicans in Washington vote in Presidential elections. Now look over to New York. It is, as you'd expect, the second largest delegation and has 136 delegates, representing 3.4 million Republican voters.

What's peculiar?  
Some quick long division gives the answer: unfairness. Each District of Columbia delegate represents 2,000 voters, each New York delegate almost 25,000. Why? Why should the former carry 12 times the weight of the latter? Nor are these isolated imbalances. As is shown in the following Congressional Research Service table, similar distortions affect every large state, including almost the whole Northeast quadrant:

|                |        |                |        |
|----------------|--------|----------------|--------|
| D.C.           | 2,063  | North Carolina | 17,056 |
| Alaska         | 3,945  | Colorado       | 17,465 |
| Vermont        | 5,505  | Kansas         | 17,598 |
| Wyoming        | 5,626  | Iowa           | 18,154 |
| Nevada         | 5,637  | Georgia        | 18,193 |
| Delaware       | 6,341  | Virginia       | 18,764 |
| South Dakota   | 9,058  | Washington     | 18,789 |
| Montana        | 9,408  | Oklahoma       | 19,050 |
| New Hampshire  | 9,415  | West Virginia  | 19,894 |
| North Dakota   | 9,653  | Massachusetts  | 20,313 |
| New Mexico     | 9,692  | Texas          | 20,682 |
| Hawaii         | 10,452 | Connecticut    | 21,021 |
| Idaho          | 11,029 | Florida        | 21,847 |
| South Carolina | 12,045 | Wisconsin      | 22,342 |
| Maine          | 12,188 | Missouri       | 22,379 |
| Arkansas       | 12,889 | Maryland       | 23,469 |
| Rhode Island   | 13,246 | Pennsylvania   | 24,429 |
| Arizona        | 14,074 | California     | 24,639 |
| Utah           | 14,118 | Indiana        | 24,846 |
| Mississippi    | 14,590 | Ohio           | 24,802 |
| Oregon         | 16,144 | New York       | 24,969 |
| Tennessee      | 16,195 | Michigan       | 24,981 |
| Nebraska       | 16,471 | New Jersey     | 25,530 |
| Alabama        | 16,552 | Illinois       | 26,819 |
| Kentucky       | 16,609 | Minnesota      | 26,889 |
| Louisiana      | 16,806 |                |        |

In other words, the Dallas convention is rigged. The Republicans, who sometimes deride their opponents as the "Democrat Party," risk being an-

swered in kind. One of the things that "republican" refers to is representative government; when the Grand Old Party seriously unrepresents its own members, it is also Unrepublican.

An exactly representative system would be utopian in a country whose electoral college weighs the smallest states four times more heavily than the largest. But the Republican system is much more distorted than that, with imbalances ranging up to 12 times. That's the result of a uniform bonus system. Each state voting Republican gets the same number of bonus delegates regardless of its size.

This system arose after World War I out of nativist unease about the immigrant East. It has endured because favoring small states favored the party's conservative wing against Eastern liberals like New York's Nelson Rockefeller. Now, however, it discriminates equally against Eastern conservatives like New York's Lewis Lehrman.

Why can't the system be made fair? That's what Josiah Lee Auspitz, a scholarly and persistent moderate has been asking his fellow Republicans for years. This year, finally, others are getting interested, notably James Neal, a conservative Republican national committeeman from Noblesville, Indiana.

He offers the Republicans a partial solution: Add 1,076 delegates to the total number and then allocate them according to the number of Republican voters in each state. This would bring no radical realignment. One delegate from the District of Columbia would carry eight times, rather than 12 times, the weight of one New York delegate.

Yet party officers wavered off even this modest reform. When Mr. Neal offered it at a meeting last week, the allotted time was chewed up with nitpicking. Still, he has won further attention, including that of Gov. Thomas Kean of New Jersey and perhaps of other Republican governors, and today he'll get another chance.

The Neal plan comes up before the Convention Rules Committee this afternoon. If this committee, whose members include Mr. Lehrman and Esther Twentyman of Homer, N.Y., should say yes, the party will have taken a conscientious step toward representing itself fairly. If not, it will remain, plunging on to 1988, the party of the Unrepublicans.

## Nuclear Winter and Its Smoke

After a nuclear war, according to a new conjecture, will come nuclear winter, a cold darkness so profound that land in both hemispheres will freeze, crops will fail and life perish. War between the two major powers would thus bring inevitable disaster to all other countries, too.

Is the thesis well founded? And if so, then what? Nuclear war was long thought unlikely to affect the global climate. According to the National Academy of Sciences, nuclear bombs would only pulverize rock, with a result no worse than the dust clouds puffed up by volcanoes. "At most," concluded the Academy in 1974, a half-degree temperature change from average could be expected from a 10,000-megaton nuclear exchange.

Like everybody else, the Academy overlooked one thing: soot. When cities burn, as did Hiroshima and Nagasaki, tons of it are created. Dust merely scatters sunlight but soot absorbs it. The two scientists who saw the importance of soot, Paul J. Crutzen of West Germany and John W. Birks of the United States, suggested in 1982 that nuclear-sparked fires could blot out sunlight for weeks.

That has prompted a series of new studies, including several by the Administration, which is, to its credit, taking the nuclear winter idea seriously. Everyone agrees soot was wrongly ignored. But until the studies are completed, it's premature to accept the details of any one forecast of nuclear winter, including that issued by a group of scientists last November.

Everything depends on how much soot gets how

high. Forest fires now produce a third as much soot each year as a nuclear war might create, but it never gets high enough to derange climate. Nuclear-made soot, if not dispersed by winds, might billow up to the stratosphere, beyond the reach of weather, and linger for months. On the other hand, unlike high dust, the high soot clouds might disperse because of their own absorbed heat.

When all such uncertainties have been narrowed, a climatic effect of some degree is likely. It may set an upper limit (more likely a range of values) on the megatons that might be exploded over cities without triggering climatic catastrophe. What difference would such a threshold make?

In the short term, perhaps not much. Not even a new dimension of terror can undercut policies based on deterrence. If necessary to preserve the credibility of deterrence, arsenals could be adapted to minimize soot effects. A climatic effect is yet another strong argument for negotiating steep reductions in nuclear arsenals. But if the megatonnage threshold is too close to what minor nuclear powers already have or could attain, major powers may shrink to step beneath it.

Yet if the new calculations show a significant climatic effect from soot, nuclear winter would, more certainly even than other horrors of nuclear war, mean the end of civilization. No country would survive, possibly not even a family. That prospect has to make a difference eventually, however successful the policy of nuclear deterrence has been so far, and however invisible the alternatives.

## Topics

### At Long Last

#### The Bus Stops Here

A baby that might have been born to a desperate passenger in one of Manhattan's first bus shelters would be almost 10 years old before the first shelter gets built in Queens or Brooklyn. After bickering, lawsuits, investigations and counterinvestigations, reports and even a prosecution, the Board of Estimate has finally approved a contract for erecting shelters in all five of New York City's boroughs.

Bids for the new contract were opened 12 months ago. The successful bidder, Miller Signs Associates, met the city's prescribed terms (the only other contestant insisted on different terms and was disqualified). Six years ago, bidders were asked to build more than 4,000 shelters, but those bids were thrown out in the course of a city investigation. The number of shelters has now shrunk to 2,533, covering all the sites so far approved by community boards. The Miller company can be required

to build as many as 388 more of them.

In the quiet that surrounded the contract award, those who competed furiously in the past seem to have folded their bus shelters and silently slipped away. They may have suspected, correctly, that someone would raise the city's share of shelter advertising revenues from 10 to 22.2 percent, diminishing the bidders' expected profit margin.

Or have those who tried the shelter business found it isn't as good as they had hoped? Or learned that you don't need New York's business to convince another city that you're a respectable entrepreneur? Brooklyn and Queens travelers can ask themselves such questions in the rain to relieve the present monotony of asking themselves why 12 No. 41 buses have passed without a single 67.

#### Legal Switch

After waging a 12-year, million-dollar legal fight, the United States Jay-

cees last week reversed position and voted overwhelmingly to admit women to full membership. Their president, Tommy Todd, insisted that his 270,000-member organization was "in no way...compelled to do this." It was simply an "opportunity time" to set "a direction for others to follow."

Opportunity time indeed — just six weeks after the Supreme Court ruled that excluding women from Jaycee chapters in Minnesota violated that state's prohibition against discrimination in places of public accommodation. Since any male from age 18 to 36 qualifies for membership in the Jaycees, the Court concluded that the organization was hardly an exclusive, private club, whose freedom of association would deserve special protection.

With similar laws in most other states, the Jaycees finally decided they'd rather switch than continue fighting. For an organization devoted to nurturing America's future leaders, respect for law is a lesson well learned.

## Letters

### Of Personal Morality, Public Policy and Prudence

To the Editor:

The statement issued by Bishop James Malone on behalf of his colleagues of the Roman Catholic Bishop's Conference about Roman Catholic political candidates and their position on moral and social issues ["Catholics Urged to Press Views Held by Church," news article Aug. 10] raises important questions, and with many of his conclusions so serious or responsible Christian would be prepared to disagree.

Bishop Malone is right that there can be in principle no "dichotomy between personal morality and public policy"; that is sound and important to remember. The application of this principle, however, to the question of Roman Catholic public officials and the question of abortion is not as simple a matter as news reports and much editorial comment seem to take for granted.

The Roman Catholic moral tradition has made a great deal of the virtue of prudence, and it seems to me that a Roman Catholic — or any Christian — in a position of public responsibility might come to conclusions about the prudence of legislation banning many or all abortions and making them illegal. Would Bishop Malone and his colleagues not agree with the following line of reasoning?

Given the present state of public opinion and practice, as revealed in most opinion polls, it would seem obvious that many, probably a majority of Americans would not be opposed to any or all abortions in any or all circumstances.

Given this fact, might not a conscientious and responsible public official conclude that legislation banning abortion would be widely unenforceable, and that we would be returned to the situation where any woman with financial means could secure an abortion illegally from quite respect-

able physicians on Wilshire Boulevard or Park Avenue, while women lacking such financial capability would have to resort to disreputable and hazardous "abortion mills," with the loss of life in many cases both to mother and fetus?

Is it not legitimate for a Christian public official conscientiously to oppose, therefore, legislation outlawing abortion? Would not the Roman Catholic bishops feel moved to honor such a decision?

We have learned that legislation has a limited power to change the moral climate in which ethical decisions are made. Might religious leaders not be well advised to concentrate their efforts on changing that moral climate by teaching and persuasion and in the relationships of counseling and the confessional?

(Rt. Rev.) JOHN M. KRUMM  
Tustin, Calif., Aug. 13, 1984  
The writer is Bishop in Residence at St. Paul's Episcopal Church in Tustin.

#### A Society Divided

To the Editor:

Shortly after he became President, John F. Kennedy told a story satirizing alleged church influence in American politics.

He said that after the 1928 election, Al Smith, the defeated Presidential candidate and a Roman Catholic, called the Pope: "Unpack." Kennedy added that after he had opposed the U.S. Catholic bishops on Federal aid to church-related schools, the Pope called him: "Pack."

There is then nothing new in allegations of undue church influence in American politics. Bishop Malone's statement endorsing the right of the National Conference of Catholic Bishops (of which he is president) to pass moral judgments on political matters is an exercise of liberty which all

persons and groups are guaranteed under the Constitution.

Some Americans unfamiliar with the intent or precise language of the First Amendment incorrectly assume that it constructs a wall of separation forbidding both church and state to intervene in the other. It is in truth a one-way wall, prohibiting only the government's involvement in religion. Anything more would infringe upon the free-speech rights of religious bodies and leaders.

Although Bishop Malone expressed dismay at having "religion injected into a political campaign through appeals to candidates' affiliations and commitments," in the very next sentence he asserts that there can be no dichotomy between personal morality and public policy. "The requirements of rational analysis," he argues, dictate that personal morality be a *conscious* if not the critical element in determining a politician's judgment and behavior.

By this standard, officeholders could be expected to urge laws embodying their standards of moral conduct even though many Americans did not share their moral convictions.

There are principles upon which civilized society is in substantial agreement, although not even the taking of life is one of these, as is evident in disagreement on capital punishment and pacifism. Bishop Malone recognized this in limiting his defense to "innocent human life." It must be apparent that the right to take unborn life, i.e., to perform an abortion, is another moral issue on which American society is divided.

The Supreme Court in 1973 did not affirm the morality of abortion; it upheld the right of people to live by different moral codes, in areas of conduct where neither public belief nor expert authority produced such substantial agreement as to warrant the imposition of law based on morality. What the justices did, and what conscientious politicians strive to do, was to distinguish between their own deeply felt convictions and the universally acknowledged moral requirements of our society.

In the very statement in which Bishop Malone rejects the intrusion of religion into politics, he had done what he decries. He is entitled to do so. What no one is entitled to do in this most pluralistic society is to impose particular moral and religious preferences upon those who do not share them.  
STANLEY FEINGOLD  
Chappaqua, N.Y., Aug. 13, 1984

#### The Compromisers

To the Editor:

Who has a right, in a democracy, to influence the consciences of citizens? And how should conflicts of conscience be handled by candidates for office and by officeholders?

These are two different questions, and it would improve the quality of public debate on the recent Catholic bishops' declaration if the two were treated separately.

The answer to the first question, in the democratic tradition, is simple: Everybody has the right. Let bishops, atheists, rabbis and plumbers try to "convince others of the rightness" of their consciences regarding public policy. Let even candidates and officeholders do so.

The answer to the second is more difficult, subtle and dynamic.

John F. Kennedy observed that the test of courage in a politician comes when he or she sides with a minority against a majority. We know that minorities, even minorities of one, are crucial for eventual change in public policies. I would like to believe that all humans are capable, at some time in their lives, of being minorities of one. Even in the making of those compromises that are the stuff of the political vocation, I prefer compromisers who know what they may be compromising: namely, on occasion, their own consciences.

One thinks of former New York Governor Carey. During all his years in office, the polls showed that most New Yorkers favored the death penalty. Carey opposed it, made no secret of opposing it, in part for religious reasons. His church had helped give him those reasons.

But conceivably, the Legislature could enact a death penalty law so tight that a governor would have no legal alternative to enforcing it — except the alternative of resigning, not an inconceivable alternative for conscientious persons in any job.

In a sense, conscience, like religious faith, will always have the potential for being what T.V. Smith called it — "a little dictator inside our breast," an authority beyond which there can be no appeal. In the democratic system, we need people willing to plead conscience as a guide to public policy-making.

But equally we need people who know the difference between their consciences and that of others, and the necessity of forming policy that expresses and respects that very difference.  
DONALD W. SEEVER JR.  
President  
Union Theological Seminary  
New York, Aug. 12, 1984

#### In Praise of Authentic Maque Choux

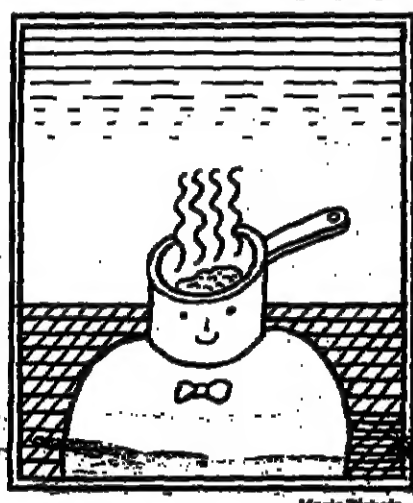
To the Editor:

Your recent encomium to corn ("De Gustibus" column, July 28) — with which I heartily agree — suggested a recipe for a dish Marian Burros called "maque-choux" (sp.) that would leave most residents of Acadian Louisiana quite puzzled.

Having grown up in a home that prided itself on its Cajun cooking, and having enjoyed "maque choux" innumerable times, I feel readers of The Times should not be misled into confusing a Southern variation of corn pudding with the authentic dish.

Maque choux (probably meaning "maison-cabbage") is sweet corn and tomatoes. "Le Livre de la Cuisine de Lafayette," published in 1967 by les bonnes femmes of that lovely city in the heart of the Cajun country, gives the following recipe:

"Maque Choux — Clean 8 ears of corn thoroughly and cut lengthwise 1/4 inch from top; scrape corn with side of blade of knife to get juice. Mix with 1/2 c. onion, 1/4 chopped bell pepper, 1/2 c. peeled and chopped tomatoes, 1 tsp. sugar and salt and pepper to taste. Pour in 1/2 c. hot grease — reduce fire to low. Cook 3/4 hour, covered. Stir occasionally. Serves 4 to 6.  
Mrs. P. J. Blanchet Jr."



In the same section of this excellent book of recipes there is a recipe for corn casserole that is very similar to the one in The Times of July 28. I hope your readers have a chance to enjoy the authentic maque choux as much as I and my family have.

DAVID BENDEL HERTZ  
Coral Gables, Fla., Aug. 3, 1984  
The writer, Distinguished Professor at the University of Miami, heads the university's Intelligent Computer Systems Research Institute.

#### \$1-a-Minute Remedy for Airport Congestion

To the Editor:

Recent newspaper articles concerning the air-traffic congestion at major airports during rush hours clearly show that airline managements are insensitive to their passengers' comfort and safety while they pursue the almighty buck. Together they have scheduled about 30 percent more flights into and out of New York airports than can be handled. Delays are rampant, yet they advertise timely departures and arrivals. Is that truthful advertising or good business?

My C.E.O. requires me to be dependable. As a senior executive, I require my managers to be truthful, dependable and timely. We plan our business travel to use time efficiently. If the airlines' schedules were dependable, we could accommodate our appointments accordingly.

While the F.A.A. could help by ruling that only so many arrivals or departures are permitted to be scheduled, this is apparently ineffective. The F.A.A. has thus taken de facto action by placing "gate holds" or in-flight delays on traffic, and airlines are blaming the delays on the F.A.A.

For example, this morning my plane was delayed on the ground at La Guardia for about 40 minutes more than reasonable taxi time. This evening my return flight was held in Syracuse and did not load for 25 minutes past departure time, so the delay for congestion was about 35 minutes.

A free market is controlled through incentives and penalties. If a contractor does not perform on time, he may be assessed liquidated damages for each day he is late in completing his contract. When this is invoked, contractors are very timely. The airline companies should be similarly assessed for late takeoffs caused by congestion at scheduled departure times.

Suppose each airline were to pay every passenger \$1 for every minute of delay in departure on arrival at the first stop? In the example above, about 50 of us passengers would have cost the airline involved nearly \$4,000.

A few days of that kind of incentive, and the airlines would have new executives or achievable schedules.

PAUL J. EARLY  
Manhasset, L.I., Aug. 9, 1984

#### Presidential Bombing Joke: What If . . . ?

To the Editor:

You say "there's no danger that anyone will take (President Reagan's bombing joke) seriously" ("Just Kidding," editorial Aug. 14). We know that now, because we are all still alive. The outcome might have been different had a Soviet communications agent intercepted the remark and, not sharing Mr. Reagan's sense of humor, relayed it to headquarters for voice verification and further action.  
DAVID M. KAPLAN  
New York, Aug. 14, 1984

hair-trigger attack posture by them is completely understandable.

At best, Mr. Reagan's joking about nuclear genocide is infinitely tasteless. At worst, if we attend to what Sigmund Freud taught us about the unconscious, we are in serious danger.

RICHARD KETAL, M.D.  
Detroit, Aug. 13, 1984

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## IN THE NATION

Tom Wicker

## A Pick-Me-Up In Dallas

DALLAS President Reagan has recently suffered enough political aches and pains that the Republican National Convention — even as stupefying as it promises to be — comes none too soon. He needs the lift a nominating convention almost always gives the nominee, particularly an incumbent President.

President Ford, for example, trailed Jimmy Carter in the polls by 23 points in early August 1976. Entering the Republican convention at Kansas City widely viewed as "Nixon's man," Mr. Ford boomed out of his exciting victory over Ronald Reagan as a legitimate candidate in his own right. Almost immediately, he dramatically closed the gap with Mr. Carter to 49-39 and only 44-43 outside the South.

Mr. Carter, was the incumbent in 1980, and though he later lost to Mr. Reagan, he too benefited heavily from his party's national convention. He was more than 10 points behind Mr. Reagan in the Gallup Poll when the Democrats convened in New York; immediately afterward, he surged narrowly ahead, if not for long.

Mr. Reagan, though current polls show him leading Walter Mondale anywhere from closely to comfortably, surely can use such a stimulus to his campaign. For a President widely considered to have a rabbit's foot in one pocket, a clover leaf in another and a horseshoe over the White House door, Mr. Reagan lately has been running in something other than the luck of the Irish.

Neither he nor his staff was prepared for Mr. Mondale's choice of a woman to be his running mate, and the Reagan political gurus obviously have yet to determine the best way to campaign against Geraldine Ferraro. Witness their furrowed brows over whether or not Vice President Bush should debate her; he wants to but the gurus fear that would make her look too Presidential, or him too chauvinist, or both, or something.

Nor has the White House yet figured out a convincing strategy to counter Mr. Mondale's challenge on the question of raising taxes. Mr. Reagan has been reduced to bobbing and weaving, none too adeptly, and

## Aches and pains that a convention might cure

the "last resort" tactic recently in vogue sounds suspiciously like an admission that taxes, as Mr. Mondale contends, will indeed have to go up.

On top of this, the Urban Institute has received major press coverage for a report that establishes in convincing detail the accuracy of the Democrats' "fairness" complaints. Owing in large part to Reaganomics, the "average" American family is somewhat better off economically, but undeniably the rich have got richer while the poor have got poorer. Moreover, the report shows, the rationale of the Reagan tax cuts of 1981 — that they would increase savings and investment — has not been borne out.

The issue of Mr. Reagan's age and capacity — he'd be 78 upon completion of a second term — has also crept in by the back door. Mrs. Reagan, of all people, dramatized it when in full view of the television cameras she recently had to prompt an apparently puzzled President with a simple answer to an easy question. Then Michael Deaver, one of the closest Reagan aides, confessed that Mr. Reagan sometimes nods off in long meetings. That almost anyone else would too doesn't lessen the damage; almost anyone else is not the President of the United States.

To cap these woes came Mr. Reagan's joke, if it wasn't what Le Monde called "an expression of repressed desire," about bombing Russia. Europe is enraged and Moscow is both enraged and delighted with its opportunity to portray Mr. Reagan to the world as Hopalong Cassidy redivivus. But Europe and Moscow don't vote here, and on the record so far, Mr. Reagan can hope that Americans don't expect any better of him, hence don't penalize him for such embarrassments.

So the controlled environment and focused cameras of a Republican renominating love-in is just what the President needs, even though the convention's only excitement — some grunted teeth and pounded tables about the tax plank in the platform — is over before the first gavel falls.

Television, despite the low ratings the country gives these staged shows, will deliver the biggest single audience he's likely to have in the campaign. He and the other Republican orators — though a poor lot by Jesse Jackson standards — will set the campaign's themes, rally the faithful, and con the unwary, while whooping it up for God, country and the arms race. And if all goes as usual, the Grand Old Party will depart Dallas with morale up and the polls rising, which is what conventions nowadays are all about.

## 3 for G.O.P. Eyes (Not Only)

## Antiliberal Majority Is Waiting

By Howard Phillips

VIENNA, Va. — The Republican Party may have missed its rendezvous with history.

For 18 years now, an antiliberal electoral majority has been waiting for leadership in this country, waiting for a chance to provide a genuine alternative to the failed left-wing dogmatism of the New Deal and the Great Society. Ronald Reagan and the Republicans have not yet provided that alternative, raising serious questions for populist conservatives.

The antiliberal majority began to emerge in the 1966 Congressional elections, and it grew stronger in 1968 when Americans cast 14 percent of their ballots for George C. Wallace and 43 percent for Richard M. Nixon, rejecting Lyndon B. Johnson's "no-win" strategy in Vietnam and his candidate, Hubert H. Humphrey.

Howard Phillips is chairman of the Conservative Caucus, Inc., a grassroots lobbying organization.

President Nixon was a disappointment to us. Though elected on a wave of antielectoralism sentiment, he tooled to the financial centers that profited from détente with our Communist enemy and to interest groups nourished by the bureaucratic patronage of the Great Society.

He expanded many Great Society programs and presided over a dramatic shift in the "correlation of forces" to the advantage of the Soviet Union — and because he had no strong challengers to his right when he ran for re-election in 1972, he felt no need to justify any of this. In the end, it was his failure to implement the populist conservative aspirations of those who elected him that permitted the liberal establishment to dump him and defeat his party in the 1974 Congressional elections.

The antiliberal majority had not disappeared, but the debate that year was not about the issues that roused it. The G.O.P. permitted the liberals to change the subject to Watergate, and quite predictably wound up on the wrong side of that year's referendum on corruption.

Jimmy Carter understood the anti-Washington dynamics of the antiliberal majority. He would never have been elected without strong conservative symbolism, including his reputed experience in reorganizing bureaucracy and balancing budgets. He presented himself as a farmer, a small-businessman and a nuclear engineer, strongly rooted in the nation's most conservative region. His election strategy depended on conservative

voters' dislike of Gerald R. Ford's liberal approach to social issues such as the Equal Rights Amendment and abortion and on the enthusiasm of millions of born-again Christians.

The antiliberal majority built up a new head of steam during the Carter Presidency. Ronald Reagan rhetorically stoked its fires, and it began ousting liberal Democratic Senators in 1978. Then in 1980 it defeated 13 more, as Ronald Reagan swept into office on a wave of populist conservative energy — a flurry of state antitax referendums, the burgeoning of the right-to-life movement, the organization of the Christian right and a nationwide grassroots campaign against the Panama Canal treaties and the second strategic arms limitation accord.

Unfortunately, in office Ronald Reagan has also disappointed. Like Richard Nixon and Gerald Ford, he has substantively abandoned his Main Street constituency and embraced his party's Wall Street wing.

Consider the Reagan record: the technology transfers and taxpayer-subsidized bank credits for Communist China, his adherence to the unratified second strategic arms limitation accord, the biggest tax hikes in American history (Federal revenues rose from \$517 billion in 1980 to \$745 billion in fiscal 1985), a \$8.4 billion bailout for the International Mone-

tary Fund, "business-as-usual" in response to the downing of the Korean Air Lines Flight 7, economic aid to Soviet-bloc dictatorships, assaults on religious liberty and academic freedom, increased spending on Great Society programs that fund the left and the doubling of the national debt. With the exception of the Grenada rescue mission, he has also pursued a "no win" strategy in Central America.

I hope Ronald Reagan is re-elected this year, because Walter F. Mondale would be worse. But as a conservative, I reject the notion that our role in American politics is to "lose as slowly as possible," and I look forward to the time when we can implement our own agenda. We are tired of playing disappointed critics of the two-party liberal regime against which, for nearly 20 years, a majority of Americans has been voting.

The hour is very late for the Republican Party. Two decades is a long time to make the antiliberal majority wait. If, as many predict, 1986 brings economic hard times and the prospect of defeat for the G.O.P., populist conservatives may turn elsewhere. We may just decide to supplement our strength in Congress by directing resources to antielectoralism candidates who are neither Democrats nor Republicans.



## Honor Thy Bill Of Rights

By David M. Gordis

Most political observers expect the delegates to the Republican National Convention to ratify the positions of President Reagan and the Republican Party's platform committee without major policy debate. Yet there is one issue that deserves far more thoughtful attention than it has thus far received: the separation of church and state. Moreover, when this constitutional distinction is blurred, social policy suffers.

President Reagan and a majority in his party are convinced that America has strayed too far from its religious roots and values. This view is not in itself politically partisan. Indeed, it addresses the conviction of a great many Americans, including many Democrats, that the national

David M. Gordis is executive vice president of the American Jewish Committee.

## Transition Shaped by An Elite

By Newt Gingrich

DALLAS — Do national political conventions still serve a purpose? I strongly believe they do, particularly for the Republican Party, which is undergoing an important transition.

The 1984 Democratic and Republican conventions are the first in recent history that will not have had gavel-to-gavel coverage by the national television networks. Some observers suggest that this change toward partial coverage is the first step in the decline of national conventions as institutions. Others suggest that this decline began with the rise of electronic communications and the elimination of multiballot Presidential nomination fights. A few have even suggested that national conventions should either be abolished or limited to a one-day spectacle celebrating

Newt Gingrich is Republican Representative from Georgia.

consensus around such shared ideals as patriotism, family ties and community loyalty has gravely deteriorated. But some Republican proposals for dealing with these concerns promote intolerance, undermine respect for diversity and threaten the very foundation of a free and pluralistic society.

How Administration figures and other politicians comport themselves on church-state issues sets the tone for the whole nation. When the President makes 24 references to God and Jesus before a meeting of the National Religious Broadcasters convention, and when the host committee of the Republican National Convention proposes to include New Testament in the kits of convention delegates (it backed off), the clear message to non-Christians is that they are not part of the inner circle.

In the same way, displays of the symbols of any religion on public property, and court decisions supporting such displays, suggest to adherents of other faiths — or of none — that they are outsiders rather than full participants in American society.

In the classroom, where conformity is expected and the teacher is a major authority figure, prayer, silent or otherwise, must inevitably put pressure on children of religious minorities to conform to the majority.

When the President uses the prestige of his office to promote a particular view of abortion, he lends official

support to one religious position and discredits others. (And when Geraldine A. Ferraro, the Democratic vice presidential candidate, questions Mr. Reagan's Christian credentials, she hints at a religious test for office no more acceptable than the attacks on her own faith, Roman Catholicism, that provoked her remarks.)

A coalition of Christian fundamentalists has announced that it will issue a "biblical scorecard" to judge candidates on their positions on such issues as abortion, the Equal Rights Amendment and national defense. They intend to punish candidates daring to differ with their positions. But these are complex and important issues that need free, open discussion, not militant intolerance and censorship of varying views.

Since Watergate, the public has been rightly concerned with the personal and moral qualities of national leaders. Candidates should certainly be held accountable to high standards of integrity. Wrapping oneself in the cloak of religious piety is an age-old way of avoiding responsibility.

The reduced sense of community plaguing our society cannot be cured by prayer, vocal or silent, in the public schools, and by a blossoming of Nativity scenes and menorahs on public property.

Those who look to such simplistic solutions underestimate the social costs and divisive consequences of these actions.

a candidate who has already been nominated.

As a participant in this year's Republican National Convention and a member of the executive committee of the party's platform committee, I don't think it's particularly important whether or not we get national television coverage. What is important is that the leadership of the national party meet to chart the path it will take in the future.

It may be impossible for the commercial networks to cover anything but the hoopla of the conventions. That is fine with me. C-Span and Cable News Network provide plenty of coverage for the politically aware and the academically interested. Newspapers and magazines provide information for those who want to know what really happens on the floor and behind the scenes.

Television coverage has always been less important to the long-term health of the national parties than campaign strategists think. The real key is the discussion and analysis that goes on among the party activists, and that has never been very well covered by the mass media anyway. It is for the sake of that gathering of the party elite that I would argue we must continue our tradition of national conventions.

Far more than simple power brokering or vote counting is going on when 3,000 or 4,000 activists gather together to write a platform, listen to

the various leaders speak, and argue together at cocktail parties, receptions and indeed on the bus rides to and from the convention. A free society cannot govern itself simply through referendums and slogans and 30-second commercials. A free society must constantly renew and educate its national elite. The old and new within that elite must argue, shaping appeals to a variety of interest groups — economic, ideological, regional and ethnic — and decide among themselves which direction to lead.

The Republican elite meeting this week in Dallas will guide the party through a crucial transition.

As I see it, the new Republican Party should argue aggressively with the decaying welfare state establishment — both the Republican and the Democratic side of that establishment. Our party should represent an opportunity society, and should consciously reach out to all American workers — whites, blacks, Hispanics and others — who want more take-home pay, the chance to create a small business, a safe neighborhood and the right to voluntarily pray in school.

We must fight to develop a program for frugality in Washington instead of frugality among the families of working Americans. Part of this struggle will mean using the techniques of the information age to develop new ways of delivering government services,

It is precisely the constitutionally mandated strict separation of church and state in the First Amendment that has guaranteed to all Americans the freedom to join or abstain from joining any denomination, without official pressure, direct or subtle, and has allowed religion to flourish here with a vitality that is the envy of religious men and women the world over.

Those who would tamper with that Bill of Rights formula do so at the nation's peril. For with the best of intentions they propose the introduction of pressures for conformity that our Founding Fathers, out of their painful experience with societies where the government played a role in religious affairs, were determined to avoid.

At a time of increasing racial, religious and social polarization, America needs a recommitment to the tolerance and pluralistic values that served so well earlier. We must explore ways to revive a national consensus and dedication to a common purpose, develop nonsectarian educational programs that can instill ethical and social values, and avoid, not promote, divisive practices that can only further fragment our society.

Church-state separation is a central question for the Republicans to consider in Dallas. All Americans must scrutinize their handling of this issue every bit as closely as we examined the controversial issues debated at the Democratic National Convention.

particularly health care and education. We must also consider a serious rethinking of the way the Pentagon works, and should strive to apply the lessons of modern management to the vast military bureaucracy.

The beginning of this transition was apparent in the party's platform fight last week. Those who favored a platform that left room for tax increases to pay for the welfare state were defeated by those of us who preferred a plank that would force the Washington establishment to do what is necessary to promote economic growth.

These kinds of struggles are essential if we are to fashion a new approach to the postindustrial era. To face the challenge of the future, we must move beyond the old, passive and reactive Republican Party, encouraging the energy, aggressiveness and combativeness of the party's newcomers. The welfare-state Republican Party must be willing to give way to the opportunity-society Republican Party.

The divisions within the party have not yet been entirely resolved. The gradual shifts taking place among Republicans have by no means been completed. Our activists and leaders still need to meet with each other, to talk about what is really going on in this country, about their beliefs and about the future. All of this cries out for a national gathering that can gradually transform the understanding of our national elite.

## WASHINGTON

James Reston

## Insiders And Outsiders

WASHINGTON The rise and fall of Presidential candidates in the popularity polls is almost as dicey as the mysterious fluctuations of the stock market. Consider the hijinks of the last few weeks.

At the end of the Democratic convention in San Francisco, the polls did a Ferraro, and Lou Harris reported that Walter Mondale had closed to within two points of President Reagan.

Between then and the opening of the Republican convention in Dallas, the President took a vacation at his Rancho del Cielo in California, married off a daughter, said he wouldn't allow plans for a tax increase, then said he might have one as "a last resort," and finally, just kidding, talked about abolishing and bombing the Soviet Union.

His remarks on taxes sent a hiccup around Washington, and his "joke" went round the world without much laughter in any quarter. Even his own aides, beginning with Vice President Bush, shook their heads and said, "There he goes again." His old buddy Mike Deaver didn't make things much better by reporting that sometimes the skipper went to sleep in Cabinet meetings.

What did the polls do? They took off as if the President had just balanced the budget and ended the arms race. By the time the Grand Old Party was gathering for the coronation in Texas, the Harris Poll had Mr. Reagan leading Minnesota Fritz by 12 points, the CBS News/New York Times Poll had him up 15 points, and NBC News estimated his lead at 23 points.

Wall Street is a funny place, and will run with the bulls if somebody sees Paul Volcker smiling on the shuttle, or catch cold if the head of the Fed sneezes. But unlike the voters, it seldom wallows in bad news and usually pays attention to the judgment of "insiders."

Like the "insiders" on Wall Street, the "insiders" in Washington pay attention to the people who manage the Government and the policies they pursue, the gambles they make and their outlook for the future.

The interesting thing about this Presidential election is the remark-

## Why one likes Reagan and the other doesn't

able gap between popular opinion and inside Washington opinion. This is a hard thing to prove, for the "insiders" here don't answer the pollsters, but they do talk in private, and all I can say is that there seems to be a greater difference between public opinion and Washington opinion this year than in any other Presidential election year of the last generation.

What accounts for this disparity? It is not that the "insiders" and the public are working from different facts. The record of the President and his Administration is well known. Both groups are aware of his age, his working habits, his principal associates, his good intentions, his conservative philosophy, his anti-Soviet tendencies, his patriotism, his admirable good nature, his mastery of political television and his unfailing optimism.

One difference is that those studying policy concentrate on the vital interests of the nation, whereas the people tend to concentrate on their personal, local or professional interests.

No doubt the insiders place a higher value on consistency than do the voters, for they want both our allies and our adversaries to know where we stand and where we're going. In this sense, they pay more attention to the future and are confused when the President says he will never raise taxes and then says he should never say never; or says one day he won't talk to the Russians and then implores them to talk.

This alone, of course, does not explain why Mr. Reagan loses the confidence of so many insiders but still retains the support of the public. He has been getting some help from Mr. Mondale, who so far hasn't run an impressive campaign or defined his own policies, and lately from Geraldine Ferraro, who has the people thinking more about her husband's taxes than about the national debt — now costing \$300 million a day in interest payments.

So for the time being, Washington is very quiet. It's like a ship with the crew on leave, becalmed in the steaming August heat, but it is not calm. It is worried. It watches the political struggle for its control and hears the clamor and incoherence of the candidates with a kind of helpless fatalism.

The administration of the nation's business goes on, of course, but all the great questions of foreign and domestic policy are on hold, awaiting the outcome of an election that may, as so often in the past, be decided by the illusions and indifferences of a majority of the people.



# Arts & Leisure

## Two Avant-Gardists Reveal Their Classicism

By ROSETTE LAMONT

Thirty years ago, two foreign-born dramatists — one Irish, the other Rumanian — were considered to be the leaders of the Paris avant-garde. Neither was a self-declared innovator. Beckett avoided definition and kept to himself, while Ionesco, a notorious *enfant terrible*, proclaimed that if he belonged to any school of literature it was that of "the cabaret." He enjoyed offering perverse data: "I'm a bourgeois realist who writes in order to find out what he thinks. My ancestors, as far as my work is concerned, were a mixed bunch: Job, Shakespeare's Richard II, King Solomon, the Marx Brothers, Charlie Chaplin, the Keystone Cops."

The media quickly pinned labels on these two independent, quirky spirits. Since Beckett's first novels, "Molloy" and "Malone Dies," written directly in French, were being brought out by Jerome Lindon's Les Editions de Minuit, it was convenient to lump the refractory writer with the practitioners of *le nouveau roman*: Alain Robbe-Grillet, Michel Butor, Nathalie Sarraute. As to Ionesco, he was either dismissed as a belated Dadaist or viewed as a social critic. No one in the early 50's in France detected the metaphysical intent of these two writers; they were regarded with a mixture of suspicion and ironic tolerance.

Thirty years later, it turns out that the two have something in common after all: where scores of self-conscious experimentalists have fallen by the wayside, they have lasted — and assumed the stature of modern classics. This season saw four new Beckett plays in New York, and a revival of "Endgame" currently at the Beckett Theater. As for Ionesco, in March, Roger Planchon brought to Paris his "Spectacle Ionesco" — a collage of scenes from the playwright's two last dream-plays, "Man With Bags" and "Voyages Among the Dead" — from the same city of Lyons where Ionesco first met with one of his most resounding condemnations. When I saw him in Lyons, Planchon said: "My subscribers are always wary of modern plays, but of course this does not apply to Ionesco. He is *un classique moderne*."

On Jan. 3, 1953, "Waiting for Godot" opened at the experimental Théâtre de Babylone (now no longer in existence). It was received by the press as "a grandiose piece of buffoonery," Robert Kemp of Le Monde

Rosette Lamont, who teaches at the Graduate Center of the City University of New York, recently completed a book on Ionesco.



Eugene Ionesco—"I write to find out what I think."

declared that this "circus play" was "devoid of any spark of genius despite some apparent good intentions." A year earlier, Ionesco's "The Chairs" had been deemed "utterly incoherent" by the Figaro.

The two first metaphysical farces did not, however, receive the same reception from the public. The three actors of "The Chairs" played in Paris for an audience of three: Ionesco, his wife and their 7-year-old daughter. When the play went on tour to Lyons, the audience stormed out in indignation. People were heard grumbling: "These Parisians take us for fools. They've sent us only three of their 38 actors. The rest is empty chairs." On the other hand, "Godot," staged by the great director Roger Blin, defied all predictions by running up to four hundred performances. It seemed amazing that an audience could be found for a play with no female lead, no set, except for a meager, leafless tree, no action or plot, and only four bedraggled clown-tramps plus a young boy as the sole *dramatis personae*. Moreover, the title character never appeared. No one was more amazed by this success than the author himself. "Godot" brought him into the limelight.

Now that Beckett and Ionesco are enshrined in the Pantheon of classical writers it is interesting to question them about the label "avant-garde," which lingers on beyond the Nobel Prize of the first, the election to the French Academy of the second. Ionesco, who enjoys playing literary critic, particularly because he dislikes most criticism published on his work, answers: "There are two interpretations of the word avant-garde. One can, of course, say that it is a new

literary form which broke with old forms — this is what we were — but then, this break brings about a new style and this style, or language, becomes accepted. Although people still speak of the avant-garde, the term's meaning has been altered without anyone being aware of the transformation. I'm all for classicism, for that is what the avant-garde really is. Any true creative artist is classical for he creates archetypes which are always young. We must invent myths for our time and in being myth-makers we give rise to the kind of sacred, awe-struck theater which was created by the ancient world. When I write, I don't ask myself whether I'm being avant-garde or not. I'm just trying to describe the world as I see it and to transcribe my inner visions, my dreams and nightmares. What all of us have in common is our mortality, our fears, our human condition. To be avant-garde is not to be 'far out,' but to return to our sources, to reject traditionalism in order to find again a living tradition."

Ionesco is impatient with our realistic, naturalistic dramaturgy. Although he is a passionate admirer of the United States, he has nothing but scorn for the Broadway theater. He feels that our emphasis is naive, simple-minded. Even Balzac, the father of Realism, he explains, knew that the real is beyond causality. "In America, you still believe that problems must be discussed on the stage, that one can solve metaphysical angst through chatter." There is no solution, according to Ionesco, only a kind of blinding sincerity. "The language used on the stage cannot be like that of the street, or the living room. It must get at essences of reality, it must translate the real, not photograph it."

As to Beckett, he never envisioned himself as an avant-garde artist. When he is asked why he turned to the writing of plays, he says that he had to emerge from the infinitely wide space of fiction writing. For him, the composition of "Godot" was a kind of relaxing breather from the trilogy he was working on. The play was composed in the space of four months — the manuscript gives the two dates, Oct. 9, 1948, and Jan. 29, 1949. "You will see," Beckett warned me recently, before I read the manuscript which is now being held in the vault of the Editions de Minuit, "that there are few changes, few lines crossed out." Obviously, the play just flowed. When Beckett took a pause there are delightful doodles — I prefer to call them drawings — on the facing page, or in the text itself. These delicate, Giacometti-like sketches are full of both wit and pathos: there is a kind of dragon with webbed feet, a heavy tail, horns, then two characters wearing bowlers appear (Gogo and Didi).



Samuel Beckett—He never envisioned himself as an avant-garde artist.

As the play progresses, the characters grow more abstract, cocoons linked by a slender umbilical cord. Later still the two cocoons fuse into a single tail being with a small head atop its convoluted body. These marginal apparitions testify to a pause, a need to concretize a thought, to turn it into an image. They reveal the delicate struggle of a novelist becoming a

creator for the stage.

"Why did you start writing in French?" I asked Beckett. The answer I received was slightly different from what I had read previously. Beckett said, after a bid of hesitation, that he began "Molloy" in French, sitting in his mother's room when he returned to Ireland after the war. This had been a long and sad separa-

tion. Now, Beckett's mother was ill. Beckett did not mention the profound attachment between them, but it was obvious from the tender way he spoke of her. At that moment, back in his native land, he felt removed from a language he had fallen in love with. Perhaps he was like Flaubert who could re-create the greenness of his Normandy when he was traveling in Egypt. Beckett added that later, when French became more familiar still, he went back to composing texts in English first. Lately, the text may arise in English or in French, and then be translated by the author. I asked him whether he enjoyed the task of translation. He cringed: "Always a chore."

Beckett does not discuss his fellow writers, but Ionesco will often volunteer a comment full of admiration in regard to Beckett's austere single-mindedness. "He is the most metaphysical of us all, the purest. I always said that my own plays are apolitical, but I realize now that this constitutes a political stand. Lately, however, I've gone back to writing the kind of theater I started with when I composed 'The Bald Soprano.' My dream plays issue from some deeper, less rational place, from the collective subconscious. Language is once more the main actor of my theater."

Is Beckett apolitical? In his own quiet, profoundly reflective way he has given support to dissident writers. "Catastrophe" (staged in New York earlier this year) was written for the 1982 Avignon Festival AIDA (Association Internationale de Défense des Artistes) in honor of the jailed Czech dramatist, Václav Havel. "What Where," Beckett's most recent one-act, seen in New York together with "Catastrophe," hints at some horrifying inhumanity, a long line of torturers and tortured. It is still a metaphysical play, but it suggests the airless world of interrogation cells. When I saw Beckett last spring I had just returned from Poland. I told him nothing reminded me more of some of his stage images than the "display cases" at the Auschwitz museum. He said nothing but then spoke of his close friend and fellow Resistance fighter, Alfred Péron, who died as a result of having been interned in a concentration camp. When I read the "Gogo" manuscript, I was struck with the fact that for the whole Act I, Estragon, one of the faces of innocent agony (the word agony is in fact part of his name) was originally called "Levy." Only with the beginning of Act II did Beckett decide to make the name less significant in historical terms.

It is becoming increasingly clear, however, that both Beckett and Ionesco, the great classical writers of today, are post-Holocaust writers, deeply marked by the horrors of our age. No wonder if the condition of being homeless tramps, eternal wanderers, uprooted foreigners assumes a particular resonance in their work.

### SOUND

HANS FANTEL

## Newcomers Seek Admission To the Family of Instruments

What is a musical instrument? The question is asked rhetorically, and rather provocatively, by Suzanne Ciani, a classically trained musician whose chosen instrument is the electronic synthesizer. Both as composer and performer, she is the creator of new sounds in a controversial medium that is just beginning to be taken seriously.

Her question about the nature of musical instruments is raised in defense of these new techniques of music-making. The majority of classically oriented musicians, even at this late date, would deny synthesizers and computers proper standing among the accredited instruments of music. Yet Miss Ciani believes that all musical instruments are basically mechanical contraptions. She reminds us that the first large machine ever built — back in the early Middle Ages — was the pipe organ.

"Look at some of Schubert's writing for piano," she says, pointing to tremolos and other rapidly repetitive figures. "I suppose those ideas could be more easily realized with a computer."

Historic hindsight on the ways and means of music tends to support her thinking. Often the nature of the tools has shaped the nature of the work. Beethoven could not have written his late piano sonatas without the newly improved mechanics of the instrument. Metal-forming methods and valve design developed in the middle of the last century gave rise to the deep-toned brass choirs essential to the sonority of Wagnerian and post-Romantic orchestration. Now the new technology of computers and synthesizers may influence the evolution of music in similar ways. New tonal shadings, far exceeding the diversity of timbres attainable with conventional orchestration, may add new stylistic dimensions to musical composition. It is this possibility that fascinates Miss Ciani.

A small person with a pixie face in a state of constant animation, she is almost invisible among arrays of electronic gadgetry stacked in her Park Avenue studio. Many of these elaborate devices are tone generators capable of producing an infinity of sonic variants. Some are played through a keyboard similar to that of a piano, others are instructed through computers to produce certain sounds, phrasings or rhythm patterns. The parts of this music are "laid down" on tape, one track at a time. Each track roughly corresponds to what in conventional music would be a single staff on the score. Then the tracks are "layered" atop one another and synchronized, so that the various parts of the score can be heard together when the multitrack tape is played through loudspeakers.

The process of electronically assembling the music in this way unites the normally separate functions of composer and performer, for it is usually the composer who "performs" his own compositions by realizing them on the synthesizer and creating the tape that makes his work audible. The synthesizer has just brought about a time warp, taking us back to the period of Bach, Haydn and Mozart, when it was the custom of composers to perform their own works.

The synthesizer also represents another historic transition. It marks a shift in the intertwined relations between the art of music and the science of electronics. For most of this century, electronics has served music in a merely passive role, as a carrier of musical sounds. But with the synthesizer, electronics becomes an active element in the creation of music.

Although electronic music dates back several decades to the work of such pioneers as Edgard Varèse, Otto Luening and Vladimir Ussachevsky, the synthesizer in its modern form stems from the 1960's, when experimenters like Donald Buchla and Robert Moog put electronic tone generators under computer control. Suzanne Ciani was a music student at Wellesley at the time and encountered these devices on a visit to M.I.T. She was instantly convinced of their musical potential. "I longed to have complete control over the performance of my music," she recalls, "and I recognized that through the computer I could attain full control over every aspect of interpretation."

After graduate work both in music and computer science, she emerged as a leading proponent of electronically created music, and her newly released record "Seven Waves" (on the Findlar label) documents her highly individual approach. The music cannot be categorized as either classical or popular, although it is clearly in the lighter vein and easily accessible. Raindrop patterns of flute-like sounds trickle over deep, soft and sustained bass lines. Sometimes sprightly melodic figures emerge, and surf sounds — like a primal and atavistic awareness of the sea — pervade the music. Occasionally inspiration flags and the music subsides into rapidity. But the sheer variety of Miss Ciani's tonal palette — so different from that of any conventional ensemble — maintains the listener's interest.

Most electronic music today is heard in movie sound tracks, a notable example being Vangelis's score for "Chariots of Fire." Synthesizers also are routinely employed for television commercials, and it is by creating sound tracks for such commercials that Miss Ciani supports her habit of serious composition.

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# An assessment for Mondale

By WOLF BLITZER / Post Washington Correspondent

DEMOCRATIC presidential candidate Walter Mondale's chief foreign policy adviser, has publicly distanced himself from the Middle East positions of his former boss in the Carter administration, national security adviser Zbigniew Brzezinski.

David Aaron, who was the number-two man on the National Security Council under Brzezinski, said on the eve of a week-long visit to Israel: "I have respect for him, but we differ on a lot of issues; the Middle East is perhaps the most outstanding."

In his first interview since officially joining the Mondale campaign, Aaron told *The Jerusalem Post* that Mondale is absolutely determined to move the U.S. Embassy from Tel Aviv to Jerusalem if he wins the November election against President Reagan.

"I think he's completely serious," said Aaron, who is taking a leave of absence from a New York investment firm to coordinate the Mondale-Ferraro foreign policy staff.

Most observers believe Aaron would almost certainly emerge as national security adviser in a Mondale administration. The two men reportedly feel very comfortable with each other.

Aaron is scheduled to arrive in Israel this Friday for what he describes as a private fact-finding mission. He will be accompanied by David Ifshin, the campaign's counsel and chief liaison to the Jewish community, and by Morris Amitay, the former executive director of the American-Israel Public Affairs Committee (Aipac), the pro-Israel lobbying organization on Capitol Hill.

Amitay, who left Aipac four years ago, is now a private consultant in Washington and an unpaid adviser to the Mondale campaign.

"I'M GOING because I want to get an assessment of the situation in the Middle East from the standpoint of the leading people there — both poli-

tical people and people I know in the military and diplomatic service," said Aaron. "I haven't been there in two years."

Added Aaron, who has been associated with Mondale for over 10 years: "I'm not carrying any messages. I'm going in my own capacity."

According to Aaron, Mondale is aware of the journey, and "he's very enthusiastic."

A former State Department foreign service officer, Aaron joined Mondale's Senate staff in the early 1970s before moving to the National Security Council in 1977. Over the past four years, he has continued to privately assist Mondale in the foreign-policy area.

Amitay and Ifshin both agreed that Aaron was a major factor in strongly encouraging Mondale in recent months to publicly reiterate support for moving the embassy to Jerusalem. Mondale, since 1976, has been in favour of the move.

"I think that Mondale is very proud of his record towards Israel," says Aaron, when asked if the Middle East will be a major issue in the campaign. "Obviously, he has expressed some concern over the Reagan administration's handling of the Middle East."

Aaron singled out Reagan's 1982 peace plan for special criticism.

"But I really don't know how this will affect the campaign," he continues. "I don't plan to do any campaigning from Israel, not criticizing

the country or the Reagan administration or anything like that."

AARON, who is not Jewish, recognizes that his close association with Brzezinski during the four years of the Carter administration has made him a target for pro-Israeli Republicans. Brzezinski was often criticized by Israel's supporters for taking positions supposedly hostile towards Israel.

In speaking out on the matter, Aaron, Ifshin and Amitay emphasize that Aaron and Brzezinski do not necessarily share the same views about Israel and the Arabs.

Asked who has helped him in recent months in drafting Mondale's foreign-policy positions on the Middle East, Aaron says: "Basically, I look to David and Morris. I also talk to people in Senator Moynihan's office."

In Israel, Aaron is expected to meet the Alignment and Likud leaders. His schedule was partially put together by the Israeli Embassy in Washington. Officially, his trip is sponsored by the American-Israel Friendship League.

Aaron says he is especially excited about the opportunity of spending a night at Kibbutz Geshet, where Ifshin in the early 1970s worked as a volunteer for a year.

## Symbols of beauty

GARDENER'S CORNER  
Walter Frankl



*Cineraria hybrida*

range. The Greek word *iris* translates fittingly as rainbow. There are hundreds of species of iris and countless hybrids for all situations. Many of them grow wild in Israel as protected flowers. Their names can be attributed to their place of origin, like *iris palestina*, *iris nazareth*, *iris hagiboa* and *iris yerusalem*. The latter was discovered in the southern Negev town Yeroham by Dr. Michael Avishai from the Hebrew University. It is a dark brown flower and its botanical name is *iris hyaruchamensis*. Full sunlight is best for irises, although they are often seen growing and flowering well in places where there is shade for parts of the day.

*Lilium candidum* (madonna lily, *shoshan sahor* in Hebrew).

THIS IS one of the oldest most esteemed of wild flowers, native to the Holy Land. These noble and easily-grown lilies have so inspired mankind with their outstanding beauty and jasmine-like fragrance, that there has always been a close connection with them to the spiritual and divine. Irises have been discovered sculpted on sarcophagi and painted on vases, in ancient tombs. Lilies grow best in a well-drained, loamy soil which is partially shaded. The bulbs should be left in the

ground when the flowers fade and the stems should be cut only when all leaves have turned yellow or brown. They flower annually again and again and multiply by bulblets. Dig in deeply in well-rotted compost, to prepare the fifty bed. The bulbs should be placed in trenches about 12-15 cm. deep and 20-25 cm. apart. When the stems reach a height of about half a metre, they can be tied to a strong stick against damage by storms.

Madonna lily bulbs are available at well established garden centres and seed shops.

German iris rhizomes can most likely be obtained free of charge from a neighbour, as they have to be thinned after two or three years of growing closely together. Readers interested in gratis-rhizomes of purple flowering irises from my own and my neighbours gardens, may phone 02-633595 (early mornings) to arrange a date to fetch them.

*Cineraria* — is worth a trial. *Cineraria* (also known under the botanical name *senecio*, *savion* in Hebrew, silverdust, Mexican flame or German ivy in English, are early "settlers" in this country. Some originate from Mexico, some from South Africa, some made their way here from the Canary Islands and some are even natives of the Mediterranean region. Botanists say that *senecio* is one of the most widespread plants, having about 1500 species scattered all over the world. Many of these are wild, even weeds.

At the International Gardening Exhibition in Liverpool, visitors were privileged to see a brilliant effect in mass-planting of low-growing (about 20 cm. high) silverdust plants (*Cineraria maritima*, *savion malbin* in Hebrew), a very decorative plant, which produces a low mound of silvery-white foliage. British landscapers have planted thousands of these *cinerarias* side by side with shining, carmine-red *Salvia splendens* (*marva hadura* in Hebrew). Planted in large gardens in squares, triangles or curved arabesques, they made a tremendous impact on the viewer with their

splendid colours. The same small cinerarias were to be seen in the Royal Horticultural Society's Kew Gardens (London), accompanied by masses of pink-flowering *Begonia semperflorens* (*begonia parhat-ad* in Hebrew). Silverdust can be propagated by seeds. They must be sown under cover in early spring.

German ivy (*Senecio mikanoides*, *savion netupen* in Hebrew) is a type of creeper which has to be tied to a fence or a wall. It has ivy-shaped, succulent leaves and is topped with small yellow, marguerite-like flowers. German ivy is very common in Israeli gardens and reaches a height of three to four metres. Cuttings for propagation may be taken all the year round. The most decorative however, is available at florists and nurseries — also the most expensive *cineraria* — is *Senecio cruentus* (potted *cineraria*, *savion adam* in Hebrew).

This lovely plant has a long history in this country. In 1771 Francis Masson, an Englishman, first collected seeds from wild growing cinerarias in the Canary Islands and sent them to the Kew Gardens for cultivation.

Today cinerarias can be admired in a wide range of colours from snowy-white to deep pink, scarlet purple, crimson and various tones of blue, as well as striped bicolor ones. The seeds can be bought in Israel. If you don't have a greenhouse or a closed balcony with glass windows, you should cover the seedboxes overnight.

The best time for propagation of potted cinerarias is from now until autumn. The young seedlings should be handled carefully and transferred first to yoghurt cups or small flowerpots, filled with compost soil and mixed with some peat, when they grow about three pairs of leaves. They can later be planted in bowls or bigger flowerpots, filled with the best available garden soil. Regularly watered and given small amounts of general fertilizer every fortnight, they will produce long-lasting flowers in the late winter and spring. Potted cinerarias are amongst the most attractive of houseplants. They can be kept outdoors in spring when the danger of frost has passed. They are most suitable for balcony or roof decoration as well as for hanging baskets.

women-only beaches. There is a guys-and-dolls beach, where the girls eye one another's bathing suits and the boys eye the girls. There is even, I hear, a gay beach, where the girls also presumably eye each other's bathing suits, and the boys each other.

Odds are a Jerusalemite will land on the wrong beach.

Another fascinating spot in Tel Aviv is the central bus station. Jerusalem has one too, of course, but it's only a little end-of-the-line sedate one that can't compare with the busy, bustling Tel Aviv station, swarming with people from all over the country, loud with hawkers and shops and market stalls, shooting buses and hunting cabbies. It's a great place for people watching. Also for discovering how many carless individuals, and how many soldiers there are in Israel.

And then you go and catch your bus, and when it starts climbing the hills at Sha'ar Hagai, your perspiration dries, your secret envy of Tel Avivians fades, and at home you tell them: "Tel Aviv? I only like to go there for the pleasure of returning to Jerusalem."

## SHOPPIN' N' EATIN' IN JERUSALEM

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### NORMAN'S WHERE THE BEEF IS.

The give-away lunch — super hamburger ("generous in the extreme, beautifully grilled — super both in quality and quantity" — Haim Shapiro), salad and beer — only IS 1350. And Norman has delicious home made soups, sizzling sirloin steaks, lamb chops, piping hot pasta, saucy meat balls, salads, vegetarian specialities and shortly mouthwatering pies. NORMAN'S — a great American food in an authentic Jerusalem atmosphere, plus of course, Norman — making you feel at home. Air conditioned, Kosher under Rabbinical supervision. Open Sunday thru Thursday, noon till 11.30 p.m. After Shabbat, Closed Friday. NORMAN'S, 9 YOEL SALOMON off Kikar Zion. TAKE AWAYS. Tel. 227444.

### THE PLATES THE THING

Front and centre in Jerusalem's eating out scene is BACKSTAGE, the delightful new dairy restaurant at the Jerusalem Theatre. Why all the applause? BACKSTAGE is one of the capital's finest spots for an elegant evening with friends, and it's not expensive! The star of the show is the food itself, fresh ingredients (nothing tinned) served attentively, a menu of homemade wholesomeness: inviting platters and salads, delicious soups, individual quiches, fresh fish, cakes and pastries galore, sundaes and milkshakes, wines and spirits. For an intimate tete-a-tete at lunch or dinner, for a family celebration or even receptions up to 150, BACKSTAGE at the JERUSALEM THEATRE is the hit of the season. Open 11 a.m. till after midnight. Kosher LeMehadrin Tel. 669351.

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August 13, 1984

## American Israeli Paper Mills' profits slip

By JOSEPH MORGENTHAU  
American Israeli Paper Mills Ltd. has reported results for the first quarter ended June 30, 1984. Consolidated sales reached \$35.8 million compared with \$31.1m. for the first quarter of last year. Consolidated net earnings for the current first quarter were \$2.78m. or US\$0.84 per share compared with the previous year's net income of \$2.99m. or \$0.90 per share. Sales of paper and board in the first quarter reached 33,690 tons as compared with 29,935 tons for the same period last year, an increase of 12.5 per cent.

earnings as adjusted to reflect the changes in the general purchasing power of the shekel. The adjusted net earnings for the first quarter ended June 30, 1984, reached \$1.40m. (\$600,000) compared with \$1.55m. (\$230,000) in the first quarter of last year, an increase in real terms of 25.4 per cent. Dollar translations in both periods are based on the rate of exchange as at June 30, 1984.

Management pointed out that the decrease in profits is mainly due to the accelerated pace of devaluation in the April-June 1984 quarter, while during the equivalent three months period in 1983 it was the government's policy to curb the devaluation of the shekel against the dollar, so

that it lagged behind the pace of inflation. The vast majority of the company's sales are in Israel.

American Israeli Paper Mills is engaged in the production and marketing of paper and board, the collection and recycling of waste paper, the converting of household papers to consumer products, and the manufacture of packaging from paper and board. The company sells its products through its marketing division to wholesalers, publishers, printers, public and government institutions and to paper and board converting plants.

Its shares are traded on the Tel Aviv Stock Exchange as well as on the American Stock Exchange.

## Laser Industries' sales up 87 per cent

By JOSEPH MORGENTHAU  
Laser Industries Ltd. has reported its sales and earnings for the first quarter ended June 30, 1984. Net sales rose to a record of \$4.65 million, up 87 per cent over net sales of \$2.49m. for the first quarter of last year.

Net income rose to \$523,000 or \$0.15 per share, up 158 per cent over net income of \$203,000 or \$0.06 per share for the previous year's first quarter. Net income this quarter includes extraordinary income of \$39,000 or \$0.01 per share resulting from utilization of a tax loss carry-forward.

David Meridor, president of Laser Industries, pointed out that this was the company's ninth consecutive quarter of improved sales and earnings. He stated that he believed this trend would continue.

Laser Industries Limited develops and manufactures surgical lasers and

## Mining of Gulf of Suez is threat to world trade

CAIRO (AP). - The mining of the Gulf of Suez and the Red Sea poses a direct threat to the vital Suez Canal and could cost Cairo millions of dollars and seriously disrupt world trade.

The canal is not only a source of national pride since its 1956 nationalization, but also is Egypt's third-largest foreign currency earner. It brought in nearly \$1.1 billion in transit tolls last year.

The 46-month-old war in the Persian Gulf already has affected traffic in the key East-West sea route. Last June, canal authority chairman Ezzat Adel said Suez Canal traffic had dropped from an average of 61 to 57 ships daily, and that revenue was down by 6.5 per cent because of the war.

## Fibronics' 1/2-year sales over \$5 million mark

TEL AVIV. - Fibronics International, an affiliate of Elron Electronic Industries, has published its consolidated results for the second quarter of 1984. The company's sales totaled \$2.9 million, compared to \$930,000 in the April-June quarter last year, and for the half-year were \$5.22m. compared to \$1.84m.

Net profits amounted to \$190,634 for the quarter, and \$366,357 for the January-June period, a vast increase over the equivalent figures of \$69,863 and \$47,215 in 1983. The company earned \$0.12 per share in the first half of 1984.

## WHAT'S ON

Notices in this feature are charged at \$4 per line (including telephone number) and are payable in Israeli shekels (prices do not include VAT).

**JERUSALEM**  
MUSEUMS  
Israel Museum. Exhibitions: Moshe Miller, environmental sculpture. Miniature Eighteenth Century French, English and American Rooms. Amos Kister, outstanding new German painter. The Art of Mosaic (until 31.8): Plaster, The Other Side of the River, Egyptian Funerary Objects (Rockefeller). Window to Islam: Well Built Elephant, American architecture sculpture. How to wrap 5 eggs. (Japanese wrapping). Scrap (home theatre). Ducky and Ma Ray, ready-made and photographs. Joan Miro, sculptures (until 31.8). Permanent collection of Judaica, art and archaeology. Ticho House - works by Anna Ticho - Hanukkah lamps, literary and garden sale.

## ENTERTAINMENT

### TELEVISION

**EDUCATIONAL:**  
9.00 Surprise Train 9.30 Cartoons 9.30 The Flaxton Boys 9.55 Selling Trip 10.15 Look-out Point 10.30 Another Story 10.15 The Heart 10.35 Young Talent 10.00 This is a live youth magazine 17.00 A New Evening live magazine  
**CHILDREN'S PROGRAMMES:**  
17.30 Kites - programme for 8-12 year olds  
18.00 Cartoons  
**ARABIC-LANGUAGE PROGRAMMES:**  
18.30 News roundup  
18.32 Programme Trailer  
18.35 Sport  
19.30 News  
**HEBREW PROGRAMMES:** resume at 20.00 with a news roundup  
20.02 Fun: Appearances  
20.50 Driving Home - programme to encourage better driving habits, introduced by Haim Goldblatt  
21.00 Mabat Newsline  
21.30 Love American Style  
22.00 This is the Time  
22.50 Callan - British espionage writer starring Edward Woodward, Russell Harty and Patrick Mower: A Village called "G"

**JORDAN TV (unofficial):**  
18.30 Cartoons 19.00 French Hour 19.30 (TV 5) Science film 20.00 Newsline French 20.30 News in Hebrew 21.00 News in Arabic 21.30 Football, Sports and Business 22.10 The Living Planet 23.00 News in English 23.15 Love Boat  
**MIDDLE EAST TV (from T.A. satellite):**  
13.00 Insight 13.30 Another Life 14.00 700 Club 14.30 Shape Up 15.00 Afternoon Movie 16.30 Spiderman 17.00 Popeye 17.30 Super Book 18.00 Laramie 19.00 Bonanza 20.00 Another Life 20.30 World Tonight 21.00 Entertainment Special WJZ 21.30 NBA Basketball 22.54 700 Club 23.24 News Update

### ON THE AIR

**Voice of Music:**  
6.02 Musical Clock  
7.07 Albinoni: Violin Concerto: Vivaldi: Cello Sonata (Suzuki Edition)  
7.30 C. P. E. Bach: Flute Concerto (Nicolet, Stuttgart, Muenchinger); Mozart: Quintet for Piano and Wind Instruments. K. 452 (Ashkenazy, London, Solovitz); Haydn: Symphony No. 97; Beethoven: Piano Sonata, Op. 101 (Barenboim); Bruch: Violin Concerto No. 1, Op. 26 (Shlomo Mintz; Chicago, Abbado)  
9.30 Reger: Ballet Suite, Op. 130; Schubert: String Quartet, Op. 28 (Fitzwiller); Rachmaninoff: Piano Concerto No. 4 (Ashkenazy, London Symphony, Proctor); Suk: Sereenade for Strings (Los Angeles, Mariner); Britten: Harp Suite, Op. 63 (Elena Zamboni); Ravel: Tzigane (Pridmore); Paganini: Violin Concerto, Suite No. 2 (Lancaster, Igor Maribovich)  
12.00 An Hour with Elton John: Shoshana - Hindemith: Piece for Flute and Strings; Beethoven: Serenade, Op. 25 (Taub); Beethoven: Piano Sonata: Salieri: Concerto for Flute, Oboe and Orchestra (Eliyahu Thorne, JSO, Rodan)  
13.05 Midday Concert  
15.00 Songs of Aliya by Folk poets and Singers  
15.30 Youth Programme - Classical Music in Film  
16.30 The Jerusalem Symphony Orchestra

**ARMY**  
6.06 Morning Sounds  
7.07 "707" with Alex Axi  
8.05 Morning Newsline  
9.05 Night Mail with Shmuel Neuman  
11.05 (Israel) Summer - with EY Yezzer  
13.05 Two Hours  
15.05 What's Wrong? - with Erez Tal  
16.05 Four in the Afternoon  
17.05 Evening Newsline  
18.05 Army and Defense Magazine  
20.05 Golden Oldies Hit Parade  
21.05 Maher - TV Newsline  
21.35 Sports Review  
22.05 Popstar songs  
22.05 Interview of the Week (repeat)  
00.05 Night Birds - songs, chat

### CINEMAS

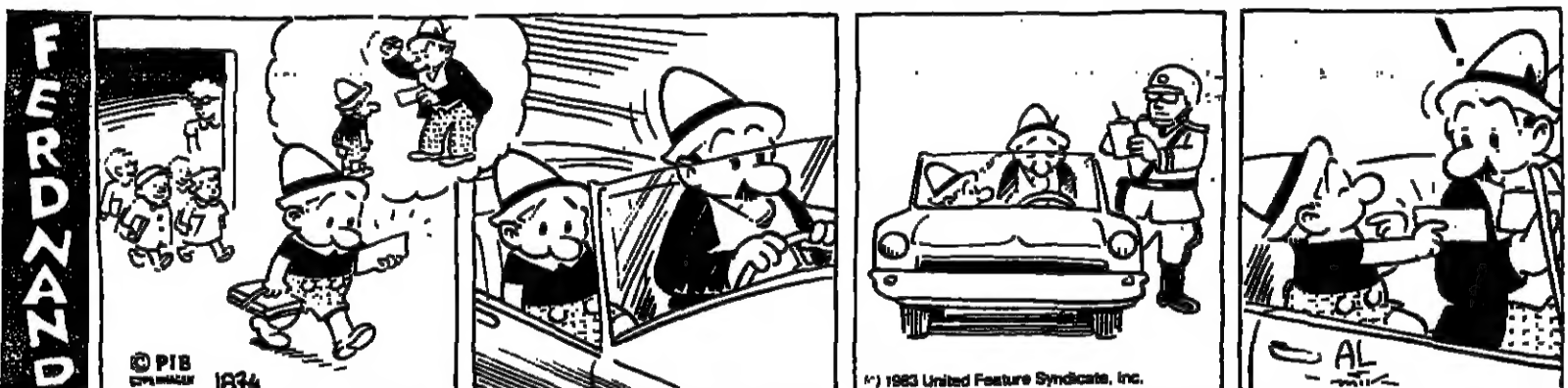
**JERUSALEM 4, 7, 9**  
Eden: Ladies' Hairdresser; Edison: Romantic the Stone; Zigg Starburst; Tue. 11.30 p.m.; Haharak: Star Trek III; 7, 9: BMX Bandits 10.30; 4: Kfir Indham; Jason and the Temple of Dooms 6.45, 9.45; Footloose 10.30 a.m.; Mithras: The Deser 6.45, 9.45; 9: Orpheus: Blood Wedding; 9: Aristocats 4, 5.30, 7; Professionals: The Punish 10.30 a.m.; Orion: Zigzag Story 7, 9; Rabbi Yaakov 10.30; 4: Orna: Police Academy; Rona: Experience Preferred But Not Essential; Soudan: Terms of Endearment 7, 9.15; Blayzel Haima: Meetings with Remarkable Men 7, 9; Cinema One: Sound of Music 4; Lord of the Rings 6.45; Lady Chatterley's Lover 9.30; Cinema 2: Rocky II 7; The Emigrants 7.30 (small hall); An Autumn Afternoon 9.30; Israel Museum: Charlotte's Web 11.1, 1.30, 4.

**TEL AVIV 5, 7, 9, 9.40**  
Albany: Ladies' Hairdresser 5, 7.30, 9.40; Ben-Yehuda: Star Trek III 11, 5, 7.30, 9.30; Chen 1: Police Academy 5.45, 7.30, 9.40; Mary Poppins 11, 1.45; Aristocats 3.55; Chen 2: Return of Martin Guerre 9.45; Aristocats 11.1, 1.45, 5.30, 7.40; Chen 3: Terms of Endearment 7.15, 9.45; Ugly Duchaud 11, 1.45, 3.45, 5.40; Chen 4: Big Chill: Cinderella 11.1, 1.45, 3.45, 5.40; Chen 5: Cues Creek 7.30, 9.45; Billy 11, 1.45, 5.30; Cinema One: Footloose 5, 7.30, 9.40; Cinema Two: Everything You Wanted to Know About Sex 4.30, 7.15, 9.40; Cinema Sodom and Gomorrah 5, 7.15, 9.30; Doh: Mary Poppins 4.45, 7.15, 9.25; Doh: The Emigrants (no Thur. pri.); Drive-In: The Hit 9.45; Swan Lake 4; Ser. film, 12 midnight; Esther: Emmanuelle 7.30, 9.40; Supergirl 11.5; Gai: Romantic the Stone; 5, 7.40, 9.40; Gordon: Streets 5, 7.25, 9.45; Rod: Eddie Macdon's Run: Lev 1: The Deser 2, 5.45, 9.40; Lev 2: Soldier of the Night 5.30, 9.40; Lina: Le Batant 5, 7.40, 9.40;

**RAMAT GAN**  
Armen: Police Academy 7.40, 9.40; Muppets Take Manhattan 11.5; Lily: Return of Martin Guerre 7.15, 9.30; Swan Lake 11.5; Oats: Romantic the Stone 7.30, 9.45; Ugly Duchaud 11.5; Orna: Footloose 4.30, 7.30, 9.30; Rona: Ramat Gan Educating Rita 7.30, 9.40

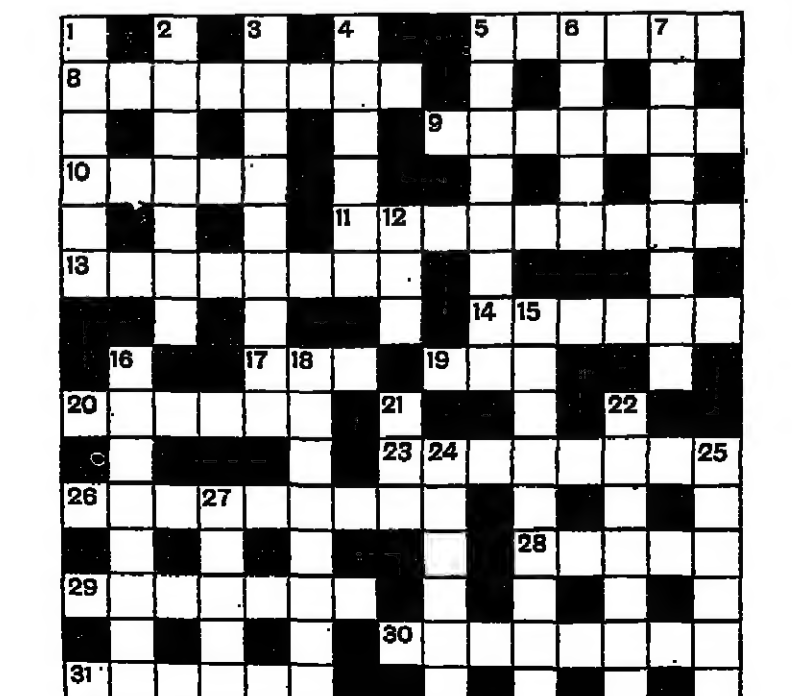
**HERZLIYA**  
David: Ladies' Hairdresser 7.15, 9.30; Theres: Return of Martin Guerre 7.30, 9.25; Doh: The Emigrants (no Thur. pri.); Strainel: Super-Panama 4: Rachel: Indiana Jones and the Temple of Doom 4.30, 7.15, 9.15

**HOLON**  
Migdal: Police Academy 7.30, 9.30; Ariz: Macdon's Run: Lev 1: The Deser 2, 5.45, 9.40; Double feature: ticket: Swan Lake: Operation Strainel 11 a.m.



## ONE-AND-ONE CROSSWORD

- ACROSS**
- 5 A newcomer to the habit, but not a bad one (6)
  - 8 Unqualified call to sack the Tories? (8)
  - 9 Penmen with pharisaical associations (7)
  - 10 Evidence of a blow-out, maybe (5)
  - 11 The awe-inspiring restraining the mighty (9)
  - 13 A pair of good men about to fade out, and no relish shown for it (8)
  - 14 Unlock reserve? Not a chance! (2, 4)
  - 17 An organ essential to learning (5)
  - 19 Turn round the motor (3)
  - 20 An accountant that goes with a bang (6)
  - 23 No, Sir! After noon I simply reflect—so shut up! (8)
  - 26 Better-lookers given special handling (9)
  - 28 Had a row and worked his passage (5)
  - 29 In 66 excitible lad produced scores of scores (7)
  - 30 A little spot of intelligence? (8)
  - 31 In the Air Force, maybe, but powerless to fly (8)
- DOWN**
- 1 Pressed by the disorderly crowd, Bob thrashed into the sea (6)
  - 2 He has a smart way to make beastly place scene of contest (7)
  - 3 Ardent spirits to set the Thames alight? (4-5)
  - 4 Move right in to get absolute (8)
  - 5 From the plant it develops into nice or nasty poison (8)
  - 6 5 across losing head and breaking a speaker (5)
  - 7 You won't give any if the hard luck story's doubtful (8)
  - 12 Cad 'oo is a slippery customer (3)
  - 15 The chairman is in drink (9)
  - 16 It won't let us forget the foreign capital raised in rebut Lima (9)
  - 18 Constant escort making a kind of square offer (8)
  - 21 I enter weight for some Attic salt (3)
  - 22 A great step forward in equestrian posture (7)
  - 24 Repeat that is simply maize (6)
  - 25 Changed untidy birthday suit (6)
  - 27 No upright player (5)



## GENERAL ASSISTANCE

### EMERGENCY PHARMACIES

**JERUSALEM:** Kupat Holim Chail, Romema, 523191. Balsam, Salah Eddin, 272315. Shu'afat, Shu'afat Road, 810108. Dar Aldawa, Herod's Gate, 282058. Tel Aviv: Brinit, 28 King George, 283731. Kupat Holim Meuhedet, 15 Spritzak, 265200. Petah-Tikva: Kupat Holim Chail, Haim Ozer, 905271. Netanya: Hadassah, 24 Herzl, 22243. Haifa: Yavot, 7 Ibn Sina, 672288.

### DUTY HOSPITALS

**JERUSALEM:** Bikur Holim (pediatrics), Hadassah E.K. (internal, gynecology, surgery, orthopedics, E.N.T.), Shaar Zedek (ophthalmology). Tel Aviv: Rokah (pediatrics internal, surgery). Netanya: Laniado (obstetrics, internal, pediatrics, gynecology, surgery).

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### QUICK CROSSWORD

**ACROSS**  
1 Girl's name  
4 Two-wheeler

**DOWN**  
1 Forbear  
2 Wild cat  
3 Give up  
4 A whispered rumour  
5 Hooded snake  
6 Satirical drawing  
7 Moral significance  
8 Cupid  
9 Ornamental vessel  
10 A tramp  
11 Tomorrow's hawthorn bloom (4-5)  
12 Specialists  
13 Public speaker  
14 Room in roof  
15 Lovers  
16 Permit

**8 Flourish of trumpets**  
9 Sea-room  
10 Rectify  
11 Ardently supporting

**13 Finished**  
14 Nine-day devotion  
15 Fruit  
16 Medicate (2-2)  
17 More late  
18 Imprint  
19 Drag wearily  
20 Pipe-like  
21 Food provider  
22 Undulating uplands

**13 Finished**  
14 Nine-day devotion  
15 Fruit  
16 Medicate (2-2)  
17 More late  
18 Imprint  
19 Drag wearily  
20 Pipe-like  
21 Food provider  
22 Undulating uplands

**13 Finished**  
14 Nine-day devotion  
15 Fruit  
16 Medicate (2-2)  
17 More late  
18 Imprint  
19 Drag wearily  
20 Pipe-like  
21 Food provider  
22 Undulating uplands

## Yesterday's Solutions

**CROSSWORD**  
ACROSS: 1 Elder, 4 Burles, 9 Sun-felt, 18 Impal, 11 Over, 22 Roadman, 12 Run, 14 Shoe, 16 Sash, 18 Sun, 20 Ready, 28 Enter, 29 Dream, 30 Ready, 31 Enthus, 2 Dingo, 3 Real, 4 Unworn, 8 Lamp, 9 Sign, 10 Sign, 13 Retainer, 15 Harvest, 17 Stroke, 18 Score, 19 Player, 20 Allen, 21 Band.

**DOWN**  
1 Forbear  
2 Wild cat  
3 Give up  
4 A whispered rumour  
5 Hooded snake  
6 Satirical drawing  
7 Moral significance  
8 Cupid  
9 Ornamental vessel  
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21 Food provider  
22 Undulating uplands

הכרזה



## Money Matters

Monday, August 20, 1984 The Jerusalem Post Page Seven

## Is the market mad or on Mars?

TEL AVIV - The economic news yesterday was hardly very positive. The talk was primarily of the rapidly disappearing foreign currency reserves. In the background was labour unrest, threatened as a reaction to the failure to link tax and national insurance to the index, and the likely doubling of unemployment in the next few months. In addition, the industrialists were talking of breaking relations with the minister of trade and industry.

In short, everything was bad and getting worse. Why then should the share market put in another strong performance, rising for the fifth time in as many sessions, and looking stronger than it has done for months?

The easy answer is to take the line of dismissal: The stock market, particularly the Tel Aviv market, is crazy, and bears no relationship to the real economy; therefore one need pay no attention to it. For all the connection the events in the market have with reality, the stock exchange may as well be on Mars. So say the unbelievers.

There is another view, however, and the chances are that anyone still sufficiently interested in shares to have followed the market through the long slump is more sympathetically inclined to this view than the general public. In essence, it says that the market, whose collapse in the spring of 1983 (following the other blow-up of that January) predicted the end of the "correct economics" of that autumn, and which has since then been the general economy is about to enter, is equally capable of "predicting" the recovery which will come if and when the correct economic programme is adopted.

## Tel Aviv Stock Exchange

By PINHAS LANDAU

In other words, from its currently depressed levels, which see first-class companies trading at one-tenth of their real value, the market can only be wrong in its political guesswork, not in its economic analysis. If there is a real government there will be recovery - eventually. Only a continuation of anarchy can make the present situation worse from the viewpoint of the equity investor.

There is no guarantee whatsoever to back this optimism. It may simply turn out to be another "technical" reaction to a deeply oversold situation, or it may be based on false premises. But it exists, at the moment, and the evidence of its power is the great discrepancy between the size of the opening bid for many shares, compared to the still very small final volume.

This proves that there is willingness to buy, but none to sell in large quantities. Would-be buyers are thus faced with the choice of "chasing" the price up, with possible "buyers only" situations resulting, or making do with the small amounts of stock on offer at the lower prices. At the moment they are not yet ready to give chase, hence the low volumes and steady, but not sharp, price moves.

The share indices are moving quietly forward, but the best measure of the mood remains the advance/decline ratio. This is now almost five to one, on the basis of yesterday's trading, with 9 sharp

## MARKET STATISTICS

## Indices

|                        |        |        |
|------------------------|--------|--------|
| General Share Index    | 291.78 | +0.66% |
| Non-bank Index         | 218.55 | +1.92% |
| Arrangement            | 342.82 | +0.06% |
| Bank Index Industrials | 234.79 | +1.53% |
| Bond Index             | 264.92 | +0.70% |

## Turnovers

|                |            |
|----------------|------------|
| Shares         | 15,450 km. |
| Bonds          | 15,637 km. |
| Totals         | 31,087 km. |
| Advances       | 303        |
| Declines       | 69         |
| of which 5% +  | 110        |
| of which 5% -  | 12         |
| "Buyers only"  | 14         |
| "Sellers only" | 1          |

## Bond market trends

|                  |               |
|------------------|---------------|
| 4% fully-linked: | Mixed to 3%   |
| 3% fully-linked: | Mixed to 2%   |
| 80% linked:      | Mixed to 2%   |
| 90% linked:      | Mixed to 2%   |
| Double-option:   | Mixed to 3%   |
| Dollar-linked:   | Falls to 4.5% |

## Most Active Shares

|         |       |          |      |
|---------|-------|----------|------|
| Leumi   | 4700  | 1536 km. | a.c. |
| IDB     | 10960 | 1531 km. | +40  |
| Mizrahi | 4445  | 1529 km. | a.c. |

## Sharpest Moves

|               |     |      |        |
|---------------|-----|------|--------|
| Ben Yakar ISI | 462 | +100 | +27.6% |
| Colson op.    | 152 | +30  | +24.4% |
| Landco op.    | 112 | +22  | +24.4% |
| Meir Ezra op. | 365 | +64  | +21.3% |

## rises for every fall of 5 or more per cent.

Only one issue was "sellers only" while 14 could not be bought for lack of sellers.

In short, the market requires very careful attention, because the possibility of a real change in the major trend is at hand. If that takes place, there is more than enough money available to come in to the market at current levels, to take it sharply higher in real terms, despite the enticing short-term instruments available as alternatives.

## Industrialists slam Patt over free trade deal

By MACABEE DEAN

TEL AVIV - Industry and Trade Minister Gideon Patt was soundly chastised yesterday by the president of the Manufacturers Association, some of whose members charged that he was rushing into a free trade area agreement with the U.S. for political gain, although he knew that his hasty steps would badly harm Israeli industrialists.

The speakers represented a wide range of industries - chemistry, processed foods, metals and others. They were reacting to Patt's television appearance over the weekend during which he said that local industrialists had been pampered for years by subsidies.

Patt said that if they didn't mature rapidly and learn to stand on their own two feet, they should be allowed to collapse since they couldn't com-

pete with American products in price and quality.

During yesterday's three-hour meeting, the industrialists said that both the subsidies and the customs on imported goods should be gradually phased out. This was the system used when Israel reached an agreement with the Common Market.

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MEMSI Members!

Change in Date of General Assembly

For technical reasons, the date of the Extraordinary Meeting of the General Assembly will take place at the Club's Tel Aviv offices on Wednesday, October 3, 1984 at 4 p.m. instead of as advertised in the Club's manual.

On the agenda:

Changes in the Constitution, as follows -

1. Change in Paragraph 27 in the Constitution, to the effect that every candidate for membership must be an adult.

2. Change of Paragraph 8 of the Constitution, as follows: The Committee is permitted to call an Extraordinary Meeting of the General Assembly at any time, and can do so upon the written request of the Control Committee of the Controlling Body, or of one tenth of all the members of the Association.

The aforesaid changes are required, in order to adapt the Constitution of the Club to the new Association statutes.

MEMSI \*

Automobile &amp; Touring Club of Israel

19 Derech Petah Tikva, Tel Aviv \* Tel. 03-622981

## Commercial Banks

(not part of "arrangement")

|             |      |      |      |       |
|-------------|------|------|------|-------|
| OHRI        | 2820 | 293  | +117 | +4.1  |
| Mazrahi     | 1360 | 293  | +117 | +4.1  |
| Maritime    | 390  | 223  | +30  | +8.3  |
| N. American | 1821 | 17   | n.c. | -     |
| N. American | 1387 | 135  | +65  | +4.9  |
| N. American | 2518 | 68   | +107 | +7.1  |
| Danot       | 270  | 15   | -3   | -1.1  |
| Danot       | 74   | 688  | +3   | +4.9  |
| Danot       | 196  | 9    | +18  | +10.1 |
| First Int'l | 416  | 809  | +21  | +5.3  |
| FIBI        | 330  | 1028 | +8   | +2.5  |

## Commercial Banks

(part of "arrangement")

|            |       |     |      |    |
|------------|-------|-----|------|----|
| IDB        | 10960 | 282 | +40  | +4 |
| IDB        | 11100 | 10  | n.c. | -  |
| IDB        | 7000  | 10  | n.c. | -  |
| Leumi      | 1115  | 115 | +75  | +9 |
| Leumi      | 14295 | 51  | +5   | -  |
| Discount B | 13999 | 66  | n.c. | -  |
| Discount B | 1683  | 7   | -7   | -4 |
| Mizrahi    | 4445  | 660 | n.c. | -  |
| Mizrahi    | 4485  | 8   | n.c. | -  |
| Mizrahi    | 2080  | 24  | n.c. | -  |

## Real Estate, Building

|               |      |       |      |       |
|---------------|------|-------|------|-------|
| Gudi          | 642  | 39    | n.c. | -     |
| Gudi          | 618  | 308   | n.c. | -     |
| Gudi          | 151  | 653   | +14  | +10.1 |
| Queen         | 62   | 1020  | n.c. | -     |
| Azorian Prop. | 325  | 363   | +15  | +4.8  |
| Azorian       | 257  | 4     | n.c. | -     |
| Elon          | 69   | 235   | +4   | +6.2  |
| Elon          | 50   | 30    | n.c. | -     |
| El-Rov        | 141  | 30    | +13  | +10.2 |
| El-Rov        | 111  | -     | +1   | +1.4  |
| Amann         | 164  | 35    | +15  | +10.1 |
| Amann         | 97   | 369   | +1   | +1.4  |
| Africa Isr.   | 1711 | 5     | +1   | +1.4  |
| Africa Isr.   | 1700 | -     | -75  | -4.2  |
| Azorian       | 170  | 100   | +10  | +6.3  |
| Azorian       | 100  | 30    | +12  | +13.6 |
| Aradon        | 850  | 40    | -8   | -9    |
| Aradon        | 337  | 74    | n.c. | -     |
| Ben Yakar     | 462  | 70    | +100 | +27.6 |
| Ben Yakar     | 516  | b.o.2 | +72  | +16.2 |
| Baranowitz    | 174  | 400   | +4   | +2.4  |
| Baranowitz    | 97   | 369   | +1   | +1.0  |
| Baranowitz    | 72   | 1     | +1   | +1.4  |
| Dankner       | 250  | 59    | +6   | +1.6  |
| Dankner       | 310  | 49    | +10  | +3.3  |
| Dankner       | 147  | -     | +7   | +5.4  |
| Dankner       | 118  | -     | +4   | +3.5  |

## Mortgage Banks

|               |      |     |       |       |
|---------------|------|-----|-------|-------|
| Adam          | 1081 | -   | +11   | +1    |
| Gen. Mortgage | 1279 | -   | -     | -     |
| Gen. Mortgage | 1280 | -   | -     | -     |
| Gen. Mortgage | 851  | 27  | +6    | +7    |
| Gen. Mortgage | 416  | 354 | n.c.  | -     |
| Gen. Mortgage | 848  | 9   | +77   | +10   |
| Gen. Mortgage | 390  | 37  | +18   | +4.8  |
| Gen. Mortgage | 1311 | 2   | +8    | +6    |
| Gen. Mortgage | 700  | 20  | -10   | -1.4  |
| Gen. Mortgage | 1020 | 5   | -20   | -1.9  |
| Gen. Mortgage | 901  | 35  | +36   | +4.2  |
| Gen. Mortgage | 930  | -   | +15   | +1.6  |
| Gen. Mortgage | 543  | 154 | n.c.  | -     |
| Gen. Mortgage | 1853 | 10  | +10.1 | -     |
| Gen. Mortgage | 152  | 30  | n.c.  | -     |
| Gen. Mortgage | 91   | 70  | +12   | +15.2 |
| Gen. Mortgage | 390  | 46  | +6    | +1.6  |

## Financial Institutions

|        |       |     |      |      |
|--------|-------|-----|------|------|
| Shilon | 82    | 915 | +7   | +10  |
| Shilon | 1093  | -   | -    | -    |
| Shilon | 14500 | -   | -    | -    |
| Shilon | 24000 | -   | -    | -    |
| Shilon | 1122  | 2   | n.c. | -    |
| Shilon | 1133  | -   | -    | -    |
| Shilon | 17000 | -   | -    | -    |
| Shilon | 69225 | -   | -    | -    |
| Shilon | 41100 | -   | -    | -    |
| Shilon | 41100 | -   | -    | -    |
| Shilon | 26225 | -   | -    | -    |
| Shilon | 12355 | -   | -    | -    |
| Shilon | 267   | 61  | +16  | +6.4 |
| Shilon | 29902 | -   | -    | -    |
| Shilon | 306   | 5   | +6   | +2   |
| Shilon | 198   | 10  | +18  | +10  |
| Shilon | 2000  | 36  | +90  | +4.3 |

## Insurance

|       |       |     |      |      |
|-------|-------|-----|------|------|
| Aryeh | 450   | 106 | +4   | +9   |
| Aryeh | 286   | 7   | -15  | -5   |
| Aryeh | 5450  | -   | -    | -    |
| Aryeh | 333   | 5   | -13  | -3.8 |
| Aryeh | 148   | 41  | +1   | +7   |
| Aryeh | 649   | -   | -1   | -2   |
| Aryeh | 166   | 41  | n.c. | -    |
| Aryeh | 273   | 15  | n.c. | -    |
| Aryeh | 120   | 42  | +2   | +1.7 |
| Aryeh | 1180  | 59  | +65  | +5.8 |
| Aryeh | 2106  | 7   | -1   | -1   |
| Aryeh | 527   | -   | -    | -    |
| Aryeh | 14400 | -   | -    | -    |
| Aryeh | 1102  | 2   | +40  | +2.9 |
| Aryeh | 1490  | -   | -    | -    |
| Aryeh | 211   | 47  | +12  | +4.5 |
| Aryeh | 186   | 87  | +1   | +9   |
| Aryeh | 91    | 2   | +6   | +7.1 |
| Aryeh | 2980  | -   | -    | -    |
| Aryeh | 630   | 53  | +21  | +3.5 |
| Aryeh | 598   | 11  | -5   | -1.6 |
| Aryeh | 455   | 30  | +30  | +4.8 |
| Aryeh | 456   | 64  | +10  | +2.2 |
| Aryeh | 373   | 54  | +33  | +9.7 |
| Aryeh | 185   | 12  | n.c. | -    |

## Trade &amp; Services

|       |      |     |      |       |
|-------|------|-----|------|-------|
| Trade | 360  | 87  | +5   | +1.4  |
| Trade | 132  | 126 | n.c. | -     |
| Trade | 44   | 70  | -7   | -13.7 |
| Trade | 650  | 5   | +12  | +1.9  |
| Trade | 365  | 74  | +64  | +21.3 |
| Trade | 365  | 74  | +64  | +21.3 |
| Trade | 126  | 50  | +10  | +8.6  |
| Trade | 28   | 892 | -1   | -3.5  |
| Trade | 340  | 74  | +31  | +10.0 |
| Trade | 210  | 30  | +6   | +2.9  |
| Trade | 3058 | -   | -    | -     |
| Trade | 743  | 102 | +35  | +4.9  |
| Trade | 1580 | 8   | +80  | +5.3  |
| Trade | 685  | 227 | +35  | +5.4  |

## Agriculture

|       |      |     |      |       |
|-------|------|-----|------|-------|
| Hadar | 233  | 52  | +7   | +3.1  |
| Hadar | 95   | 78  | +6   | +6.7  |
| Hadar | 42   | 300 | +4   | +10.5 |
| Hadar | 2540 | 3   | +180 | +7.6  |
| Hadar | 291  | 298 | +6   | +2.1  |
| Hadar | 750  | 10  | +15  | +2.0  |
| Hadar | 174  | 57  | +19  | +12.2 |

## Food and Tobacco

|      |      |     |      |       |
|------|------|-----|------|-------|
| Atas | 431  | -   | +1   | +3    |
| Atas | 245  | 12  | +4   | +1.7  |
| Atas | 98   | 199 | +9   | +10.1 |
| Atas | 37   | 625 | n.c. | -     |
| Atas | 65   | 25  | -3   | -1.3  |
| Atas | 45   | -   | -7   | -15.1 |
| Atas | 1300 | 14  | +40  | +3.2  |
| Atas | 1315 | 22  | +55  | +4.4  |
| Atas | 139  | 132 | -6   | -9    |
| Atas | 419  | 60  | +2   | +4.3  |
| Atas | 283  | 6   | +13  | +3.5  |

## Services

|       |      |     |      |       |
|-------|------|-----|------|-------|
| Hadar | 233  | 52  | +7   | +3.1  |
| Hadar | 95   | 78  | +6   | +6.7  |
| Hadar | 42   | 300 | +4   | +10.5 |
| Hadar | 2540 | 3   | +180 | +7.6  |
| Hadar | 291  | 298 | +6   | +2.1  |
| Hadar | 750  | 10  | +15  | +2.0  |
| Hadar | 174  | 57  | +19  | +12.2 |

## Chemicals, Rubber, Plastics

|              |       |   |
|--------------|-------|---|
| Leumi Ind r  | 1122  | 2 |
| Leumi Ind b  | 1133  | - |
| Ind. Dev. P. | 17000 | - |
| Ind. Dev. C  | 65925 | - |
| Ind. Dev. CC | 41101 | - |



# THE JERUSALEM POST

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Managing Director

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## Cohen-Orgad and his partner

FINANCE MINISTER Yigal Cohen-Orgad's decision not to update the tax brackets is simply an act of bad faith. He has thumbed his nose at the wage earners whose favour he cajoled during the election campaign, and is trying to blackmail the Histadrut into tearing up the wage and cost-of-living agreements before the ink on their signatures has really dried.

The finance minister is evidently obtuse in his belief that the road to economic salvation must be paved with crumbling real wages. Somehow that was not his conviction during the election campaign. Then, Cohen-Orgad was not only willing to sign wage contracts that were designed to keep real wages more or less stable. He spent money freely on subsidies for basic foods, electric power, water, and public transportation. He even initiated a mini-tax-reform, to ease the tax burden on lower-income groups. And he tacitly committed himself to update the tax brackets whenever a cost-of-living allowance falls due.

All that has now gone by the board. Suddenly, the finance minister who in July alone printed some 95 billion shekels has become concerned about what such printed money does to the economy, and he is adamant that he must save the IS-4b, which is an adjustment of the tax brackets will cost.

With the elections behind him, Cohen-Orgad apparently feels free to revert to the single-track policy of cutting real wages which he tried to ram through between last October and March. He knows, of course, that the cost-of-living allowance payable at the beginning of September as compensation for July's price rise has already evaporated in the first half of August, so that wage earners — and they alone — have already made their contribution to preventing inflation from rising further.

But he is not content with that. He wants, in addition, to raise the income taxes that wage earners — and almost they alone — must pay.

Such breach of faith and coercion of the Histadrut is sheer folly. Even a finance minister with such a short political experience as Cohen-Orgad should have learnt in his ten months in office that the Histadrut is the only power in the land that can make the great mass of wage earners accept policies that run counter to their immediate interests.

To try to blackmail a quiescent giant is a dangerous game even in normal circumstances. In the present political situation, it is insane. Cohen-Orgad must ask himself whether such tactics can further the negotiations for a grand coalition or for the social compact he wants to forge with the Histadrut.

But credibility is apparently the last among the concerns of this junior Likud politician who was brought in last October to restore the government's credibility after what Mr. Yoram Aridor had done to it last fall. His present renegeing on a gentleman's agreement to adjust the tax brackets comes on top of his juggling the books so as to conceal the grave depletion of the country's foreign reserves in July.

This juggling, it must be noted, was done with the connivance of the Bank of Israel. It was probably not illegal, for it must be assumed that the legal advisers of the Treasury and the Bank of Israel made sure that they were within the letter of the law. There can, however, be no doubt that the aim was to fool the public at home and, where possible, our creditors abroad — although Washington seems to have been better informed than our own Knesset Finance Committee, from which the truth was withheld.

If a commercial bank were to list liabilities as assets, the Examiner of Banks in the Bank of Israel would no doubt take action. The central bank itself apparently does not feel bound by the normal rules of accountancy. Instead it has made itself a blind tool of the Treasury to the point of even misinforming the Knesset.

Cohen-Orgad is a minister in a caretaker government. He cannot be fired, nor can he be asked to resign. He has only brought discredit upon himself and his government.

However, he has had an accomplice — the Bank of Israel's Governor, Dr. Moshe Mandelbaum. Affiliated with the National Religious Party, no one will dream now of firing him. But a central bank governor of any stature would have refused to be party to such Treasury manipulation of the books. If he felt he could not do that during the election campaign because it would have provided ammunition for the opposition, he should resign now.

## COHEN-ORGAD

(Continued from Page 2)  
and that Cohen-Orgad's move constitutes a breach. Therefore, labour disputes are being declared and strikes may soon follow.

Logically, the trade union arguments might make sense. But legally it is weak. The cost-of-living arrangement is considered a collective labour agreement, and the law on such contracts clearly states that they must be in writing. The only remaining hope would be generally worded provisions in the contract law requiring parties to bargain and to carry out their agreements in good faith. But the likelihood of success in a labour court, however, would be minuscule, because of the "in-writing" provision.

But the Histadrut or even individual workers could certainly claim standing before the High Court of Justice on the basis of the direct effect of the measure on their incomes.

Such a High Court petition would be based on section 1(b) of the Basic Law: The State Economy, passed the same year as the Income Tax Law provision on tax-bracket updating. The section requires Knesset Finance Committee approval for any administrative change in the rate of taxation when the previous rate is not included in the original law mandating the tax.

The basic law provision is subject to varying interpretation, and the courts have not yet settled the debate, so far limited to university lecture halls and law reviews. But

some experts maintain that failure to update tax brackets must logically be treated as what it really is — not a minor policy option, as originally envisaged, but a deliberate raising of the tax rate.

Moreover, though the Income Tax Law does define its brackets in terms of shekels, experts such as the Hebrew University's Prof. Aharon Yoran have maintained that the intent of the basic law was clearly to require legislative review of such major measures. In other instances Treasury legal advisers have argued the opposite.

Finally, the issue would involve an apparent clash between the basic law and the Income Tax Law provision. Which would prevail is also a matter of debate among legal scholars. A few believe that basic laws, even when not "fortified" by a provision requiring special majorities to amend or over rule them, should take precedence over other laws. On two occasions the High Court has indicated that it might accept this view.

Considering the legal obstacles, success must be considered unlikely on this avenue as well, if it is even pursued. But the case would be interesting, because as in many other legal settings thrown off kilter by hyperinflation, the legislator's intent here — in granting the finance minister considerable discretion over tax bracket adjustment — is clearly inappropriate to the serious implications of Cohen-Orgad's refusal to adjust them now.

# Smokescreen of unity

By DAVID KRIVINE

RONNIE MILO keeps telling us that the Likud was the first party to propose a national unity government. It is all the more surprising that it is now sabotaging attempts to set up such a wide coalition.

There is only one issue on which the present unity talks may founder: the Likud's insistence on the continuation of settlement in the occupied territories. All other matters are negotiable, even the premiership.

The premiership is negotiable because both sides have an equal interest in holding the post.

They will, therefore, be able to work out a compromise, whether (at a pinch) through a system of neutral rotation, as devised by Zevulun Hammer, or through the appointment of a neutral third person, like Ezer Weizman, to chair the cabinet.

No such understanding is possible over the creation of new settlements. Labour has offered a perfectly good *modus vivendi*. The Likud does not want this. It demands to have its own way — in the clear knowledge that it cannot have it.

LABOUR OPPOSES the construction of Jewish settlements outside the defence zones outlined in the Allon Plan. Likud have established dozens of them nevertheless. What would be a fair compromise? A retention of the status quo.

Labour will accept Likud's new townships and villages scattered over the Arab areas and will not

demand their dissolution. Likud will suspend the erection of new ones for the time being, unless and until they are empowered by the electorate to nominate once more a government of their own.

Which party would be making the bigger sacrifice? Obviously Labour. They committed the terrible mistake of agreeing prematurely during their election campaign to refrain from undoing the mischief perpetrated by Likud in Judea and Samaria. This concession, a futile bid to win votes from the right, was a breach of the labour movement's principles.

It made them a partner in Likud's policies. It bore out Syria's claim that there is no difference between Labour and Likud — that each is as imperialist as the other.

Yitzhak Shamir should be content with Shimon Peres's ill-advised concession — and more than that, he should welcome it. The Likud need a breathing spell. They cannot afford to form new encampments, the money isn't there. The be-flagged locations that exist are themselves mostly paper settlements, without an infrastructure, unable to earn a living.

If the Likud really want to create a Jewish presence in the Arab-inhabited zones, they should consolidate the clusters already on the ground. A government of national unity would supply them with a golden opportunity. They would have an excuse for halting those earth-shaking "expansion" programmes, of three families in three caravans.

that Yuval Ne'eman is still trying to hit the headlines with.

THE LIKUD have nothing to lose under a joint administration: no territory will be surrendered from Israel's grasp. There are over a hundred Jewish locations in the West Bank, Gaza and Golan as it is. None will be removed.

Since Shamir cannot do more for the moment anyway (his own finance minister, Yigal Cohen-Orgad, has told him so), here is an excellent chance to pass the buck. He can accuse Labour of forcing his hand: he can blame them for immobilizing his settlement drive.

If he does not accept a compromise so damaging to Labour and so favourable to Likud, it is because he does not want a government of national unity. It is absolutely clear to everybody in this country that Labour cannot possibly enter a partnership with Likud based on an extension of Jewish settlement in Arab-inhabited territories.

It would not be a partnership: it would be a Herut government with a wider range of hangers-on. Labour is not Tami or Shas. Should the men of the right make this settlement issue a bone of contention, there will be no government of national unity.

WHY IS THE PARTY which boasted of the desire for a wall-to-wall coalition now doing everything to make that impossible? Because they have changed their minds. They are trying to create a situation of

## Dry Bones



deadlock and paralysis so dangerous to Israel's chances of physical survival that those small parties at the centre which are striving for a national coalition — the NRP, Yehud, Agudat Yisrael, Tami, Ometz — will rally to the Likud out of panic and despair.

This will make it possible for Shamir to put together a Likud government after all, based on a bare majority of 63 seats (omitting Kach). It will be a government that cannot

rule — Shamir himself has hinted so. But it will be a Likud government under a Likud prime minister, with a Likud defence minister, a Likud foreign minister, a Likud finance minister.

And that, within the faction that still call themselves disciples of Jabotinsky, and within their co-faction that still call themselves "liberal," is what counts.

The writer is a member of The Jerusalem Post editorial staff.

# Stalemate set-back

By JUDITH MATLOFF/Madrid

close ties with Nazi Germany before and during World War II.

Franco died in 1975 and Spain's Socialist Party began to open the door to Israel after coming to power in 1982. One indication of the rapprochement was the inauguration of air services between Tel Aviv and Madrid.

Moreover, the socialist head of Spain's Senate, Jose Federico de Carvajal, visited Israel last year.

BUT THE INVASION of Lebanon, the continued occupation of the West Bank and disagreement over the right of the Palestinians to establish their own state divided the Gonzalez administration and the Likud government.

Spanish socialists had hoped a

clear Labour victory last month would have resulted in more conciliatory Israeli policies that would have made normalization easier for Gonzalez to justify.

Now, Spanish officials believe that even if Shimon Peres does put together a government, the many coalition agreements involved would soften his policies.

"A more liberal government would have meant a stance closer to ours," said a Spanish Foreign Ministry official, noting that Gonzalez and Peres were socialist colleagues who saw eye to eye on many points.

Although the official said Madrid wanted to normalize relations with Israel and play a more active role in the region, some diplomats and Jewish leaders were less optimistic that

this would occur in the near future because of the political stalemate in Israel.

"It certainly won't speed things up," said a Jewish community leader.

One Western diplomat echoed this opinion, saying the uncertain election result would probably affect the timing of normalization. A more important factor could also be Spain's planned January 1986 entry into the European Community. And he suggested that, contrary to statements by the Gonzalez administration, Madrid was moving closer to Israel because of pressure from the European Community.

GONZALEZ has repeatedly warned that he is not going to bow to

outside pressure and will not be rushed into a decision.

The two countries currently have *de facto* relations, with Spain represented in Jerusalem by a consular general and Israel represented in Madrid by its mission to the Madrid-based World Tourism Organization.

The question of ties with Israel raises "mixed emotions" in Spain, where there is a special identity with the Arab world that comes from eight centuries of Moorish occupation.

"In addition, some Spaniards recall that Spain was rejected by Israel four decades ago when the Jewish state voted against Spain's entry into the United Nations in 1949 because of Franco's relations with the Axis powers during World War II."

But, set against this — and despite fears of Arab trade retaliation — many Spaniards feel an historical guilt for the 1492 expulsion of the Jews from Spain and do not see much sense in continuing to deny the existence of Israel.

(Reuters News Service)

## READERS' LETTERS

### SUBVERSIVE DANGER

To The Editor of The Jerusalem Post Sir, — In the post-mortem of Israel's elections, there is a striking imbalance in the discussion. While much emphasis is placed on Rabbi Kahane's political manifesto, the ideology of the extremist parties at the opposite end of the political spectrum is given scant attention.

By virtue of his megalomania and need for self-publicity, Rabbi Kahane will always be obvious to the general public and under its watchful gaze.

Of more concern is the danger represented by the pro-Communists whose attractive talk of coexistence and "peace" is but a camouflage for subversive activity to destroy the very principles which guarantee the right of expression in a free, democratic election.

LEILE CUMBER  
Kiron (Harrow, England).

### VAT ON TRAVEL

To The Editor of The Jerusalem Post Sir, — I am amazed at the recent introduction of VAT on the purchase of traveller's cheques, travel arrangements abroad, etc., as a means of raising extra funds for the state coffers.

I believe that a more effective way of raising additional funds is to require every citizen leaving the country on holiday and/or business to present a tax clearance certificate. In this way, the state will flush out a lot of the subterranean money that is finding its way to the black market in the country.

S. GOLOMB  
Haifa.

### NATIONAL UNITY

To The Editor of The Jerusalem Post Sir, — According to your report of August 6, "Aguda says it may join a Labour-led coalition." Ultra-Orthodox Aguda and ultra-left, Mapam both want to prevent a national unity government, the only salvation for the country. This constellation of political forces creates a feeling of *déjà vu* in the last years of the super-democratic Weimer Republic of Germany, radicals from the right and from the left, together with splinter parties, made the rise to power of the Nazis possible. Shouldn't yesterday's main victims learn from history for the sake of their future?

The editors of The Jerusalem Post must be praised for giving wide editorial support and coverage to the idea of national unity and reconciliation.

ARNO LUSTIGER  
Tel Aviv (Frankfurt).

### POOR EXAMPLE

To The Editor of The Jerusalem Post Sir, — In these days of extremely serious economic conditions facing the nation and the government, I am greatly astonished at the fact that negotiations between the two large political parties are conducted in the luxury of the King David Hotel.

With meeting room facilities available in the Knesset and similar institutions, this is even more amazing. Where is the example of belt-tightening which our representatives should be giving to the ordinary citizen?

F. GIBIAN  
Tel Aviv.

### WHO IS A JEW

To The Editor of The Jerusalem Post

Sir, — I want to thank you for publishing Mr. Abramov's essay of August 14 with regard to the NRP and the painful problem "Who is a Jew?" I, for one, have even maintained that the change sought by many Orthodox Jews is detrimental to the cause of Halacha. It opens the door to a new battle: Halacha according to whom? As the law presently reads, the word "conversion" has only one meaning in Israel for all halachic purposes — the same meaning it has had for millennia — and any change opens the door to new interpretations. I know that I am a lonely dissenter, but the late Moshe Shapiro was of the same opinion.

My colleague and friend, Rabbi Moshe Furst, (August 12) argues that the change will alert non-Israeli Jews to the fact that conversions by non-Orthodox rabbis may not be recognized by Israel's rabbinical authorities. But why make an issue in Israel over something which is well taken care of by the non-Orthodox rabbis themselves all over the world? They are very candid with the prospective converts and conceal nothing. My only prayer is that they do not add some anti-Israel sentiments as they tell the truth.

That many Orthodox Jews in Israel are not in agreement with those who presume to speak for them is one of Israel's best kept secrets. I wish that The Post would give their views more attention and thus give the world a more balanced

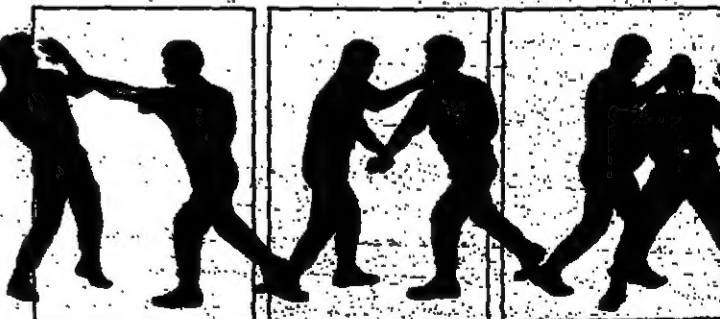
### EXCELLENT ARTICLE

To The Editor of The Jerusalem Post Sir, — I am always delighted with Alex Beryne's articles, which I read even if I don't have time for the rest of the newspaper. His informative, "Laugh along with Meir" (August 3) was excellent.

IRINE ALMOSNINO  
Haifa.

# FIGHTING FIT

by Col. David Ben-Asher  
translated by Miriam Schiesinger



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